



RURAL ONTARIO
INSTITUTE

2021 - 2022 Annual Report



Building
**vision, voice
& leadership**



TRADITIONAL TERRITORY ACKNOWLEDGEMENT

The Rural Ontario Institute would like to acknowledge that our office in Guelph, Ontario is located on 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 2021/2022.

Advanced Agrucultural Leadership Program SPONSORS	
PATRONS	
PACESETTERS	Ontario Federation of Agriculture STRATEGIC. BUSINESS. THINKING. farmtario.com / Growing Together GLACIER farmmedia
CHAMPIONS	Farm Credit Canada Advancing the business of agriculture
ALLIES	Chicken Farmers of Ontario The Farms.com Group of Companies
LEADERS	CREDIT UNION Association of Ontario Chicken Processors
BUILDERS	Canada's Seed Partner ONTARIO AGRICULTURAL COLLEGE Alumni Foundation
BOOSTERS	A New Level of Farming





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.

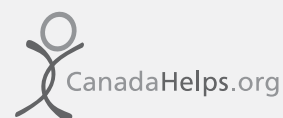


Help us build leaders and support rural community development

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

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

*Charitable Registration
No. 86275 2052 RR0001*



Message from the Chair and Executive Director

This past year has been challenging, productive and progressive. This is not unique to the Rural Ontario Institute as we collectively responded and adapted to the ongoing global pandemic. We are proud to report the past year's accomplishments and pleased to acknowledge the many collaborative efforts that had a positive impact on rural Ontarians.

2021 was a year of transition for ROI as the board prepared for the succession of our Executive Director, Norm Ragetlie. Norm effectively led the organization from 2018 until his retirement in July 2021. His support for the board, the transition and the onboarding of our new Executive Director has been exemplary and appreciated. Following a robust recruitment process, the board was pleased to announce the appointment of Ellen Sinclair as Executive Director in September 2021. Ellen brings extensive experience in economic development, Northern Ontario, strategic leadership and working with multiple levels of government. The board also appreciates the staff's support through this transition, especially Gabe Ferguson whose dedication and commitment to step in as acting Executive Director was invaluable. The future is bright with Ellen and her team in place.

Inspired by the pandemic, management and the board undertook two independent studies that were completed and delivered in the past year. One addressed organizational effectiveness and was a comprehensive review of the organizational structure, strategic priorities, breadth and depth of services and offerings, diversity, and executive succession. The second was a detailed review of our approach to funding and financial sustainability including recommendations for future direction. The concurrence of the two projects proved advantageous with our focus on succession at the executive and governance levels. Both provided validation that who we are, and what we do is relevant and critically important to growth and future opportunities within rural Ontario.

We have also reviewed and refreshed ROI's Strategic Plan. This has yielded three strategic pillars: Develop Leaders, Inform Decision Makers, and Connect Communities. Within these pillars we have established four key priorities: Sustainable Funding, Future Growth, Continued Leadership Development, and Increased Awareness/Branding of the Rural Ontario Institute. This framework provides structure and focus that will serve ROI well into the future.

ROI made many inroads in leadership development in the past year. The Advanced Agriculture Leadership Program - ROI's flagship program - has contributed to the developmental journey of over 500 leaders. The pandemic created overwhelming challenges for everyone involved in both Classes 18 and 19. We appreciate the resilience of class participants as the curriculum was adjusted to accommodate fast-moving Pandemic protocols and regulations. We applaud Class 18 participants who graduated this spring. Your dedication and ability to adapt are key leadership attributes that will serve you well going forward.

The Board and staff want to thank retiring director Dean Anderson for his contributions and leadership through many years of service. Dean has been an inspirational leader and will be missed. Longtime team member, Lissel Hernández Gongora, also transitioned to her home country Mexico the past year and we wish her all the best!

The ROI Team has worked extremely hard this past year and is pleased to share program and project highlights in this report including strategic areas of Leadership, knowledge and data, connecting communities, as well as the Rural Housing Information System project.



Joe Dietrich, Chair



Ellen Sinclair, Executive Director

A Message from Deputy Minister John Kelly

On behalf of the Ontario Ministry of Agriculture, Food and Rural Affairs, I am honoured to provide a greeting for the Rural Ontario Institute (ROI) 2021-2022 Annual Report. I appreciate the opportunity to express my strong admiration of the hard work and dedication of ROI's board members and staff.

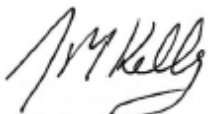
OMAFRA and the ROI have a longstanding history of cooperation to support the important work being done to develop and support the efficiency, profitability and sustainability of rural communities across Ontario.

OMAFRA values ROI's perspective on issues of importance to our rural stakeholders and is pleased to have provided financial support for the work you are doing to foster strong rural communities and Ontario's agriculture and food sectors. Working to build the capacity of agricultural and rural leaders to make an impact in their community is more important than ever. Equally vital is your work promoting knowledge of rural realities through ROI's Knowledge Centre, and your Focus on Rural Ontario factsheet series, which presents rural Ontario data in plain language factsheets for a range of stakeholders.

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

Please accept my best wishes for a successful annual meeting.

Sincerely,



John Kelly, Ph.D.
Deputy Minister



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 the desire to serve the needs of rural Ontario and together we acknowledge and promote the importance of rural Ontario to the economy, culture and potential of this province. ROI has shown tremendous resilience during the pandemic and has shown its strength and the fact that it is necessary and useful more than ever to the aspirations of rural Ontario. Whether it is in leadership development, environmental scans, issues analysis, facts and data gathering, knowledge sharing, or inspiration through its dedication to the possibilities in rural Ontario, the ROI brings hope and positivity which fuels progress. We are keen to continue our partnership with ROI and to work together to serve rural Ontario and to help rural Ontarians to create a bright future.

Sincerely,



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



**ONTARIO
AGRICULTURAL COLLEGE**

A Message from the President of the Ontario Federation of Agriculture

As I reflect on Ontario agriculture leadership, I see ROI's fingerprints in many organizations, at all levels, and across the province.

AGMs are an opportunity to celebrate past accomplishments, to reflect on current situations and to lay out future goals and aspirations. As ROI does this, I hope that the lingering feeling is that ROI has purpose and value. Those who have been involved in one ROI initiative or another, including AALP, are better prepared for the work ahead of them. There is a responsibility to use the knowledge and skills that participants have practiced, and I am happy to say that so many take that responsibility seriously, actively pursuing a better Ontario rural and agricultural community.

On behalf of OFA, congratulations and best wishes for your AGM.

Sincerely,



Peggy Brekvel
President
Ontario Federation of Agriculture



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.



- Completion of Webinars 1- 3: Orientation; Seminar Review; Ontario Food Terminal - The "stock exchange" for fruits and vegetables
- North American Study Tour: is scheduled for July 2022

Advanced Agricultural Leadership Program

AALP Class 18 Milestones

The COVID 19 pandemic brought a one-year postponement to in-person seminars and study tours for Class 18. We are pleased to congratulate the 20 men and women of AALP Class 18 on the completion of their AALP journey with a graduation ceremony on April 30th at the Sandman Hotel in Oakville, Ontario.

AALP Class 19 Milestones



Seventeen men and women completed the first 5 months of their AALP journey. Class 19 participants bring a range of backgrounds, educational experience and diverse viewpoints to the class. Nine class members are primary producers or involved in family-run farming operations. The remaining nine come from agri-business and agri-food, financial sectors, non-government and commodity associations and government. The Class ranges in age from 24 to 54.

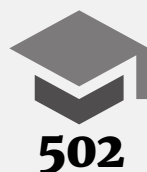
As of April 2022 AALP Class 19 has accomplished the following:

- Completion of Seminars 1-3: Brantford, Toronto, Woodstock.

AALP SNAPSHOT



Year Track Record



Graduates

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



Investment Rate of Return

AALP pays off at a rate of 25% – that's better than the rate of return on most investments!*

**According to the Social Return on investment Study completed by the George Morris Centre.*



38 Study Tours

National and International



Over **5,000** Networking opportunities per class



Facilitating Dialogue and Supporting Collaboration

Sixteen knowledge resources were published over the past year with more than 100+ links to articles and other resources. These resources included Case Studies, Reports, Data Guides, Webinar recordings and Presentations.



on Rural Ontario

Over 9 special issue Covid-19 fact sheets with accompanying blogs and infographics were published

over the past year. The fact sheets continue to inform readers about trends relevant to rural Ontario. Fact Sheets can be found on the Rural Ontario website here: www.ruralontarioinstitute.ca/knowledge-centre/focus-on-rural-ontario.

Looking Ahead: In addition to fact sheets, ROI has explored several new data products, all aimed at enriching the quality and accessibility of data for the rural Ontario public. ROI is exploring different classifications of “rural” to understand how this affects data analysis and interpretation. The “Knowledge Centre” portion of the ROI website is undergoing transformation to serve as a data product hub and ROI will soon launch “Rural Ontario Facts” - A series of interactive dashboards to complement fact sheets. ROI is also conceptualizing a product to engage communities in self-assessment over time using indicators for wellbeing.

Stakeholder Engagement & Knowledge Sharing

In the past year ROI has hosted, co-hosted or collaborated in over 24 virtual or in-person events, reaching more than 1,800 people. Through event facilitation and partnership with rural community stakeholders ROI addressed topics of interest including:

- Innovative Transit Solutions for Rural Communities
- Outlook of Rural Businesses and the Impacts from COVID- 19
- Canadian Rural and Remote Housing and Homelessness
- Building Rural Prosperity
- Rural Ontario’s Population Growth During COVID-19: Fad or Trend?

In 2021, development and testing of ROI’s new interactive engagement platform ROI Connect was completed. ROI Connect supports community development projects across the Province by increasing social connectivity wrapped around activities, events, groups and forums. It offers a safe, inclusive space for community dialogue, interaction, civic participation and debate around issues important to rural communities. A host of tools are available on the site to survey communities for input, ideation and innovation of community solutions, as well as interactive discussion and feedback mechanisms.

ROI CONNECT SNAPSHOT

Since soft launch in January 2022 the platform has experienced the following.



over 2000% growth with an engagement rate well surpassing industry benchmarks



OVER 8000 visits



40+ registered members have joined the platform



home to over **10** community projects and groups



5 new partnerships



Rural Change Makers (RCM)

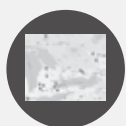
The second cohort of the Rural Change Makers (RCM) program was initiated in December 2021/ January 2022. The program garnered the interest of 9 young adults through welcome and introductory sessions and supported the continued journey of passionate and driven young community leaders. Through a series of webinars, participants explored the topics of community economic development, project evaluation, conducting research and data analysis, marketing and promotion, and many community engagement tools. An Ignite Session took place in North Bay, Ontario, allowing young people to gather and connect on challenges and opportunities in their communities.

Looking ahead:

The RCM program is undergoing a thorough evaluation to address the wants and needs of young people in rural communities, and to understand and implement the maximum potential of the RCM program. ROI is also investigating the barriers and challenges facing young people, their aspirations, and how to improve youth engagement in communities.

Four primary phases of this work have been charted moving from evaluation and planning, redesign/re-tooling, to promotion and engagement of a third RCM program. Staff are engaged in outreach and planning a Youth exchange event to compliment this work and look forward to developing new partnerships that are representative of rural Ontario and the youth that call it home.

RURAL CHANGEMAKERS IMPACT



18 Rural Young Adults
from 16 rural communities across Ontario.



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



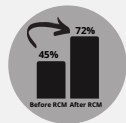
Positive About the Future
73% left the program feeling hopeful about the future of their rural community.



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



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



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

Rural Housing Information System (RHIS)

The Eastern Ontario Wardens Caucus (EOWC) was awarded \$1.2M in 2022 from CMHC's Housing Challenge to work in partnership with Rural Ontario Institute (ROI) and tech firm, Itergy to develop a data solution to support affordable housing in rural communities. This digital tool aims 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 are actively engaged in consultations with Municipal Housing Services staff, Development and Planning Directors, and Homebuilders Associations. These stakeholders represent 13 different counties in eastern Ontario. The team is gathering feedback directly for the public and private sector users who will be accessing this new, interactive tool. The feedback will directly influence the design of the RHIS tool so that it best meets end user needs and, in turn, leads to the implementation of affordable housing projects. The project tech partner, Itergy, is well underway in web development for the tool, as well as automated data gathering for the Beta version of the RHIS.

The process of User Acceptance Testing will take place over the summer, 2022. This will give stakeholders a chance to interact with a platform prototype and provide feedback on the user interface before final development. The prototype tool will be showcased at conferences across rural Ontario during the Fall.

Further information on the RHIS project, along with our Housing Data Survey, can be found through the ROIConnect project page <https://www.roiconnect.ca/project/rural-housing-opportunities/>.



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, 2022, 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, 2022, 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, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 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 15, 2022

March 31	General Fund	Restricted Funds	2022 Total	2021 Total
Assets				
Current				
Cash (Note 2)	\$ 574,539	\$ 2,523	\$ 577,062	\$ 252,095
Accounts receivable	156,752	-	156,752	190,006
Prepaid expenses	463	-	463	2,682
	731,754	2,523	734,277	444,783
Investments (Note 3)	23,157	547,037	570,194	718,890
Capital assets (Note 4)	9,767	-	9,767	5,248
	<u>\$ 764,678</u>	<u>\$ 549,560</u>	<u>\$ 1,314,238</u>	<u>\$ 1,168,921</u>
Liabilities and Fund Balances				
Current				
Accounts payable and accrued liabilities	\$ 65,697	\$ -	\$ 65,697	\$ 20,371
Deferred income (Note 5)	180,403	-	180,403	191,788
	246,100	-	246,100	212,159
Long-term debt (Note 6)	40,000	-	40,000	40,000
	286,100	-	286,100	252,159
Fund Balances				
Unrestricted net assets	478,578	-	478,578	368,979
Restricted net assets	-	549,560	549,560	547,783
	478,578	549,560	1,028,138	916,762
	<u>\$ 764,678</u>	<u>\$ 549,560</u>	<u>\$ 1,314,238</u>	<u>\$ 1,168,921</u>

Statement of Changes in Fund Balances



	Emerging Leaders	Leadership Legacy Fund	W.G. Weston Foundation Fund	K. McKinnon Memorial Fund	WM. A. Stewart Endowment Fund	2022 Total	2021 Total
For the year ended March 31							
Balance, beginning of the year	\$ 2,523	\$ 149	\$ 205,526	\$ 68,766	\$ 270,819	\$ 547,783	\$ 548,323
Excess of revenues over expenses	-	2	3,339	1,117	4,400	8,858	9,276
Interfund transfers (Note 7)	-	(2)	(2,337)	(782)	(3,960)	(7,081)	(9,816)
Balance, end of the year	\$ 2,523	\$ 149	\$ 206,528	\$ 69,101	\$ 271,259	\$ 549,560	\$ 547,783

	2022	2021
	General Fund	General Fund
For the year ended March 31		
Balance, beginning of the year	\$ 368,979	\$ 310,967
Excess of revenues over expenses	102,518	48,196
Interfund transfers (Note 7)	7,081	9,816
Balance, end of the year	\$ 478,578	\$ 368,979

For the year ended March 31	2022	2021
Revenue		
Donations	\$ 32,742	\$ 33,886
Government assistance (Note 6)	94,066	115,658
Grants and contributions	437,757	296,250
Interest	2,864	3,671
Other	87	344
Sponsorships	207,126	39,249
Training and business development	14,147	11,927
Tuition	172,411	60,214
	961,200	561,199
Expenses		
Accommodations and meals	128,822	10,983
Amortization	1,668	2,179
Bad debt	-	1,500
Board of Directors	964	-
Communications and marketing	8,389	632
Contract and professional services	119,024	100,081
Financial services	12,104	10,845
In-kind donations	26,195	25,474
Information technology	10,525	8,501
Operations	52,882	46,614
Professional development	1,379	4,231
Salaries and benefits	457,233	301,419
Travel	39,497	544
	858,682	513,003
Excess of revenues over expenses	\$ 102,518	\$ 48,196

Statement of Cash Flow



For the year ended March 31	2022	2021
Cash flows from operating activities		
Excess of revenues over expenses	\$ 102,518	\$ 48,196
Items not affecting cash:		
Amortization	1,668	2,179
Investment income on restricted funds	8,858	9,276
Reinvested investment income	(107)	(2,407)
	<u>112,937</u>	<u>57,244</u>
Changes in non-cash working capital:		
Accounts receivable	33,254	135,243
Prepaid expenses	2,219	(140)
Accounts payable and accrued liabilities	45,326	(50,461)
Deferred income	(11,385)	124,888
	<u>182,351</u>	<u>266,774</u>
Cash flows from investing activities		
Acquisition of capital assets	<u>(6,187)</u>	<u>(2,575)</u>
Cash flows from financing activities		
Purchase of investments	(1,197)	(15,870)
Proceeds on sale of investments	150,000	-
Bank indebtedness	-	(41,757)
Canada Emergency Business Account	-	40,000
	<u>148,803</u>	<u>(17,627)</u>
Net increase in cash	324,967	246,572
Cash, beginning of the year	252,095	5,523
Cash, end of the year	\$ 577,062	\$ 252,095

March 31, 2022

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, 2022

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 \$26,195 (2021 - \$25,474) of in-kind contributions, the value of which has been recorded in the financial statements.

Contributed Services

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

Use of Estimates

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.

March 31, 2022

1. Significant Accounting Policies (continued)

Financial Instruments	<p>Financial Instruments are recorded at fair value at initial recognition.</p> <p>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.</p> <p>Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.</p> <p>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.</p>
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2. Cash

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

Included in cash is \$160,410 (2021 - \$NIL) 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, 2022, \$NIL (2021 - \$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.

Notes to Financial Statements



March 31, 2022

4. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 32,005	\$ 25,597	\$ 27,288	\$ 24,585
Website	24,625	24,625	24,625	24,625
Furniture and equipment	15,945	12,586	14,475	11,930
	72,575	62,808	66,388	61,140
	\$ 9,767		\$ 5,248	

5. Deferred Income

Changes in deferred income balances are as follows:

	2022	2021
Beginning balance	\$ 191,788	\$ 66,900
Less: amounts recognized as revenue in the year	(191,788)	(66,738)
Add: amounts received related to a subsequent period	180,403	191,626
Ending balance	\$ 180,403	\$ 191,788

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.

In addition, the Institute received \$94,066 (2021 - \$95,658) in government assistance through the Canada Emergency Wage Subsidy (CEWS) and Temporary Wage Subsidy programs. This income is recorded as government assistance revenue, and \$NIL (2021 - \$28,000) of the total is in accounts receivable at year end.

7. Transfer to General Fund from Restricted Fund

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

March 31, 2022

8. Financial Instruments

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

Credit risk

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

Liquidity risk

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

Interest rate risk

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

March 31, 2022

9. Commitments

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

2023	\$	25,324
2024		24,169
2025		24,532
2026		2,047
		<hr/>
	\$	76,072
		<hr/>

10. Measurement Uncertainty - COVID-19

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

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

Ken McKinnon Memorial Fund

The Ken McKinnon Memorial Fund is a tribute to Ken McKinnon's leadership and service to Canadian agriculture and a commitment to excellence in future leaders. During his 21-year tenure at the Ontario Milk Marketing Board (now Dairy Farmers of Ontario), Ken played an integral role in leading changes that revolutionized milk production, pricing and marketing provincially and nationally. Through donations from individuals, businesses and organizations, this fund fosters the leadership qualities needed in rural Ontario in the years ahead.

William A. Stewart Endowment

The William A. Stewart Endowment was initiated in 1991 by the Agricultural Leadership Trust as a tribute to the late Ontario Minister of Agriculture and Food, the Honourable William A. Stewart. The fund recognizes and honours his legacy of public service, community involvement and leadership. The William A. Stewart Lecture & Reception – a prestigious public lecture event – is held every other year in London, ON as part of the final AALP seminar.

George Dmetriuc Memorial Fund

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

W. Garfield Weston Foundation Endowment

The W. Garfield Weston Foundation originated in 1959 and is named in honour of Willard Garfield Weston, a Canadian who established successful business enterprises across Canada and around the world. The Foundation's mission states that grants support projects in Canada for the benefit of Canadians. The W. Garfield Weston Foundation Endowment was established upon receipt of contributions from the Foundation in 1994, 1995 and 1996.

Dean Tiessen Memorial Fund

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

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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.

Early in 2022, ROI bid a fond farewell to key staff member Lissel Hernandez- Program Manager. We wish her all the best in her future.

RURAL ONTARIO INSTITUTE BY THE NUMBERS 2021-22



135 PROJECT
COLLABORATORS
& PARTNERS



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



1562
NEWSLETTER
SUBSCRIBERS



7400+ AALP REACH
37,500+ ROI REACH



482
AALP ALUMNI



50K AALP IMPRESSIONS
225K ROI IMPRESSIONS



200+ FOCUS ON
RURAL ONTARIO FACT
SHEETS RELEASED



OVER **6,500**
VISITORS TO ROI'S ONLINE
KNOWLEDGE CENTRE



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INSTITUTE**

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