

2021

Annual Report



Message from the Chair



The Rural Ontario Municipal Association (ROMA) is dedicated to strengthening Ontario's rural municipal communities. As the pandemic entered its second year in 2021, supporting rural economic development, resilience and growth became a major ROMA priority.

COVID-19 changed rural communities in fundamental ways. It not only exposed or exacerbated challenges, but it also revealed new opportunities as people started to rethink rural life. ROMA also turned its attention to ensuring that rural contributions to the province's social and economic wellbeing was well understood and would no longer be underestimated by decision makers and the public.

ROMA partnered with rural consultant Pivotal Momentum and the Rural Ontario Institute (ROI) to delve into the impact and value of rural communities on the economic and social fabric of Ontario. Using this data and consulting broadly, including through a survey and meetings with rural leaders, ROMA created an action plan, *Opportunities for Rural Ontario in a Post-COVID World*, for launch in 2022.

Overwhelmingly, we heard how important it is to maintain infrastructure, attract and retain jobs, expand attainable housing and improve digital connectivity. The Action Plan proposes tangible and implementable solutions that will shape ROMA's advocacy so that rural communities and all of Ontario can realize our untapped potential. This importantly includes how rural Ontario proposes to manage growth on our own terms.

I'd like to thank Pivotal Momentum and ROI and for their support and important contribution. I would also like to thank everyone who shared their perspective to help us create a plan for rural Ontario, by rural people.

This work was part of ROMA's broader efforts on behalf of the rural municipal sector. Our 2021 annual conference, held virtually in light of COVID-19, was highly successful. I was particularly pleased that ROMA was able to launch a scholarship for rural postsecondary students, in partnership with University of Guelph, Trent University and Lakehead University. Investing in our future is the best investment we can make.

As the rural arm of the Association of Municipalities of Ontario (AMO), ROMA advocates through AMO on rural matters to the provincial and federal governments. We ensure that AMO's policy work reflects the needs of rural communities, and we have a seat at the table when AMO talks to the Province. We were also pleased to meet individually with a number of Ministers during 2021 to address matters of specific interest, like attainable housing, broadband and infrastructure.

Our unified work on behalf of the municipal sector is highly important and proven successful. This will continue to be critical as we emerge from the acute phase of the pandemic.

I want to thank the ROMA Board for their continued hard work over the past year. While they have been busy serving their own communities, they never lost sight of the value of serving the broader rural municipal sector.

Thank you.

Robin Jones

ROMA Chair

Board Members



Robin Jones

Chair, AMO Rural Caucus | Mayor, Village of Westport



Eli El-Chantiry

First Vice Chair/
Zone 8 Representative |
Councillor, City of Ottawa



Christine Robinson

Second Vice Chair,
AMO Rural Caucus |
Mayor, Municipality of
West Grey



Allan Thompson

Immediate Past Chair,
AMO Rural Caucus/
Zone 4 Representative |
Mayor, Town of Caledon



Dennis Crevits

Zone 1 Representative |
Councillor, Municipality
of Central Elgin



Peter Emon

AMO Rural Caucus |
Reeve, Town of Renfrew



Lloyd Ferguson

Zone 3 Representative |
Councillor, City of
Hamilton



Janet Hager

Zone 10 Representative |
Councillor, Municipality
of Red Lake



Kim Love

Zone 6 Representative |
Mayor, Township of
Madawaska Valley



Christa Lowry

AMO Rural Caucus |
Mayor, Municipality of
Mississippi Mills



Pam Sayne

Zone 5 Representative |
Councillor, Township of
Minden Hills



Bill Vrebosch

AMO Rural Caucus/
Zone 9 Representative |
Councillor, City of North
Bay



Cameron Wales

Zone 7 Representative |
Councillor, City of
Brockville



Chris White

Zone 2 Representative |
Mayor, Township of
Guelph-Eramosa

ROMA Zones

LIST OF UPPER & SINGLE TIER, AND GEOGRAPHIC DISTRICTS BY ZONE

ZONE 1

- City of Chatham-Kent
- Elgin County
- Essex County
- Lanark County
- Middlesex County

ZONE 2

- Bruce County
- Grey County
- Huron County
- Perth County
- Wellington County
- Region of Waterloo

ZONE 3

- County of Brant
- Haldimand County
- City of Hamilton
- Niagara Region
- Norfolk County
- Oxford County

ZONE 4

- Dufferin County
- Halton Region
- Peel Region
- Simcoe County
- York Region

ZONE 5

- Durham Region
- Haliburton
- City of Kawartha Lakes
- District of Muskoka
- Northumberland County
- Peterborough County

ZONE 6

- Frontenac County
- Hastings County
- Lennox and Addington
- Prince Edward County
- Renfrew County

ZONE 7

- Leeds & Grenville
- Stormont, Dundas and Glengarry

ZONE 8

- Lanark County
- City of Ottawa
- Prescott and Russell, United Counties

ZONE 9

- Algoma District
- Cochrane District
- City of Greater Sudbury
- Manitoulin District
- Nipissing District
- Parry Sound District
- Sudbury District
- Timiskaming District

ZONE 10

- District of Kenora
- Rainy River District
- Thunder Bay District

2021 Highlights

ROMA Conference

The 2021 ROMA Conference was held virtually to ensure that all participants could take part safely amid ongoing COVID-19 restrictions. More than 1,100 people connected on key municipal issues, including the COVID-19 vaccine rollout, moving the Blue Box to full producer responsibility, municipal insurance costs, broadband access, and funding for transportation infrastructure. There were more than 300 delegation meetings between municipal and provincial officials on matters of local and province-wide interest.



Opportunities for Rural Ontario in a Post-COVID World

In 2021, the ROMA Board committed to developing a road map for rural economic recovery and growth plan for Ontario's rural municipalities. *Opportunities for Rural Ontario in a Post-COVID World* is an action committed to better understand the impacts of the COVID-19 pandemic in rural areas, and to chart a path forward to create vibrant and resilient rural communities into the future.

ROMA commissioned Pivotal Momentum Inc., a rural Ontario-based consulting firm, to undertake the development of its Action Plan. Working with the Rural Ontario Institute (ROI), data was analyzed to demonstrate the contribution of rural Ontario to the province's economy and social health. Through a survey and consultation process, ROMA gained insights from local leaders, business leaders and key stakeholders about trends shaping rural life, demographic changes, and other challenges and opportunities as they experience and understand them. ROMA's Action Plan was informed by those who live, work, build and support rural Ontario. This included policy makers from every order of government. Solutions were developed that are practical, implementable and reflect the diversity of needs across Ontario's rural communities.

During the consultation, key themes emerged regardless of the size or region of a municipality. Improving the availability and cost of housing, including having a wider range of rural housing options, was one such theme. Rural leaders also agreed that the housing crisis was contributing to challenges in attracting and retaining local employment. In addition, improving digital connectivity and maintaining infrastructure were seen as critical. This input provided a foundation for developing a strategy and action plan to foster rural economic and social growth and resiliency.



Supporting Rural Priorities

In 2021, ROMA continued to take part in municipal advocacy related to the pandemic, through AMO's Memorandum of Understanding with the province. ROMA's Board also meets directly with provincial Ministers. This included conversations regarding broadband expansion, conflict of interest legislation and challenges around ensuring rail lines pay their legal share of municipal drainage work on their property.

ROMA was pleased that in late 2021, the Government of Ontario announced it would double the Ontario Community Infrastructure Fund to a total of \$2 billion over five years. This fund provides small, rural and northern communities with formula-based grants for infrastructure work. The increase was consistent with ROMA's ongoing advocacy for predictable and reliable infrastructure funding.



Supporting Rural Municipal Leaders — Today and for the Future

ROMA's board is dedicated to serving rural municipal leaders and stakeholders. To that end, in 2021, the Board conducted a survey and governance review to ensure that ROMA reflects priorities of rural communities across Ontario.

Investing in future leaders is an important objective. With this in mind, ROMA launched a financial award to support postsecondary students from rural communities. ROMA has entered into agreements with the University of Guelph, Trent University, and Lakehead University. Each year for five years, these awards will provide six undergraduate students from communities across Ontario with \$2,500. These awards will support upper-year students from rural communities across Ontario, making their postsecondary education more affordable and accessible.

ROMA continued to sponsor Teeny Tiny Summits. These are free online sessions organized by the Ontario Ministry of Agriculture, Food and Rural Affairs and tailored to small rural communities. ROMA also continued to provide financial support to the Federation of Northern Ontario Municipalities and the Northwestern Ontario Municipal Association.

**Rural Ontario Municipal Association
Financial Statements
For the year ended December 31, 2021**

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Independent Auditor's Report

To the Directors of Rural Ontario Municipal Association

Opinion

We have audited the financial statements of Rural Ontario Municipal Association ("ROMA"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ROMA as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 ROMA 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 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.

In preparing the financial statements, management is responsible for assessing ROMA'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 ROMA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing ROMA'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.



Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 ROMA'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 ROMA'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 ROMA 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
Oakville, Ontario
July 27, 2022

Rural Ontario Municipal Association Statement of Financial Position

December 31	2021	2020
Assets		
Current		
Cash	\$ 71,001	\$ 107,271
Investments (Note 3)	895,291	916,281
Accounts receivable	531	815
Prepaid expenses (Note 5)	13,670	35,930
Due from Association of Municipalities of Ontario	-	1,023
	\$ 980,493	\$ 1,061,320

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 50,036	\$ 57,644
Government remittances payable	13,682	15,443
Due to Association of Municipalities of Ontario (Note 4 (a))	3,787	-
Deferred revenue (Note 5)	211,700	244,900
	279,205	317,987
Net assets		
Internally restricted funds		
Teeny Tiny	23,500	32,000
Conference	300,000	300,000
ROMA Post Secondary Education Fund	41,250	-
Unrestricted	336,538	411,333
	701,288	743,333
	\$ 980,493	\$ 1,061,320

On behalf of the Board:

_____ Director

_____ Director

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

Rural Ontario Municipal Association Statement of Operations

For the year ended December 31	2021	2020
Revenue		
Conference fees	\$ 443,461	\$ 947,920
Interest income	3,925	11,492
	447,386	959,412
Expenditures		
Conference (Note 4 (b))	275,879	555,657
Administration (Note 4 (b))	154,107	158,835
Office and general	11,676	24,385
Sponsorship	38,500	20,000
Professional fees	8,800	12,916
Other	469	250
	489,431	772,043
Excess (deficiency) of revenue over expenditures	\$ (42,045)	\$ 187,369

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

Rural Ontario Municipal Association Statement of Changes in Net Assets

For the year ended December 31

	<u>Internally Restricted Funds</u>				Total 2021	Total 2020
	ROMA Post Secondary Education Fund	Teeny Tiny	Conference	Unrestricted		
Balance , beginning of year	\$ -	\$ 32,000	\$ 300,000	\$ 411,333	\$ 743,333	\$ 555,964
Excess (deficiency) of revenue over expenditures	-	-	-	(42,045)	(42,045)	187,369
Fund transfers	41,250	(8,500)	-	(32,750)	-	-
Balance , end of year	\$ 41,250	\$ 23,500	\$ 300,000	\$ 336,538	\$ 701,288	\$ 743,333

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

Rural Ontario Municipal Association Statement of Cash Flows

For the year ended December 31	2021	2020
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ (42,045)	\$ 187,369
Changes in non-cash working capital balances		
Accounts receivable	284	1,398
Prepaid expenses	22,260	54,386
Accounts payable and accrued liabilities	(7,608)	6,073
Government remittances payable	(1,761)	(28,096)
Due (from) to Association of Municipalities of Ontario	4,810	(6,847)
Deferred revenue	(33,200)	(376,365)
	(57,260)	(162,082)
Investing activity		
Redemption of investments	20,990	197,567
Increase (decrease) in cash during the year	(36,270)	35,485
Cash, beginning of year	107,271	71,786
Cash, end of year	\$ 71,001	\$ 107,271

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

Rural Ontario Municipal Association

Notes to Financial Statements

December 31, 2021

1. Basis of Presentation

Rural Ontario Municipal Association ("ROMA") is the rural municipal voice of the Province of Ontario. ROMA is affiliated with the Association of Municipalities of Ontario ("AMO") and a number of its Board members serve on the AMO Board of Directors. ROMA brings the rural perspective to the policy work of AMO, focusing on matters which affect rural communities so that they are brought to the attention of the provincial and federal governments. Policy and research activities undertaken by ROMA are performed by the staff of AMO and from time to time, consultants.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Accounting standards for not-for-profit organizations require entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the choices selected by ROMA and applied in these financial statements.

Funds

The Teeny Tiny reserve was established by ROMA to provide financial support for the Teeny Tiny summit initiative, which is designed to help the smallest of communities make the most of their potential through an asset based approach.

The Conference reserve was established to maintain an annual ROMA conference self-insurance reserve.

The ROMA Post Secondary Education Fund was established to provide scholarships to rural Ontario students.

These funds are internally restricted by the Board of Directors. Funds are not available for general purposes and require the approval of the Board prior to use.

Use of Estimates

The preparation of financial statements 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 expenditures during the year. Actual results could differ from those estimates.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs incurred on the acquisition, sale or issue of financial instruments are expensed for those items re-measured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Rural Ontario Municipal Association Notes to Financial Statements

December 31, 2021

2. Significant Accounting Policies (continued)

Revenue Recognition

Conference fees are recognized as revenue when the event occurs. Interest income is recognized as revenue in the period it is earned.

3. Investments

	<u>2021</u>	<u>2020</u>
One Investment High Interest Savings Account (HISA) bearing interest bank prime rate less 1.735% (2020 - bank prime rate less 1.535%)	<u>\$ 895,291</u>	<u>\$ 916,281</u>

Cash and short-term investment in HISA follows the ROMA cash management policy. Excess cash beyond short-term needs is invested in short-term investments (HISA), which is impacted by day-to-day cash needs and accumulated net assets, including longer term or multi-year restricted programs, such as self-insurance for ROMA conference and Teeny Tiny summit initiative.

4. Related Party Balance and Transactions

- a) Amounts due to AMO are unsecured, due on demand and are non-interest bearing.
 - b) Included in administration expense is \$84,999 (2020 - \$69,461) of administration and occupancy costs charged by AMO. Included in conference expenses is \$35,000 (2020 - \$35,000) of administration and support costs charged by AMO. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by both parties.
-

5. Annual Conference

The registration and sponsorship fees received in fiscal 2021 relating to the 2022 conference are reflected as deferred revenue. The deposits and advances paid by ROMA to its suppliers and vendors for the 2022 conference in fiscal 2021 are reflected as part of prepaid expenses.

Rural Ontario Municipal Association Notes to Financial Statements

December 31, 2021

6. Financial Instruments Risks

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of market changes in interest rates. ROMA is exposed to interest rate risk on its investments.

Liquidity risk

Liquidity risk is the risk that ROMA will encounter difficulty in meeting the obligations associated with its financial liabilities. ROMA is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, government remittances payable, and amounts due to AMO. ROMA reduces exposure to liquidity risk by ensuring that it maintains adequate cash reserves to pay creditors.

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. ROMA's main credit risks relate to its accounts receivable and investments. Based on creditworthiness of ROMA's counter parties, no allowance for doubtful accounts is required.

It is management's opinion that ROMA is not exposed to significant interest rate, credit or liquidity risk arising from its financial instruments.

7. COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic which continues to spread throughout Canada and the world. In the current year, ROMA's conference was held virtually and is planned to be held virtually subsequent to year-end.

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, ROMA is not able to estimate all of the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.



Rural Ontario
Municipal Association

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