



2019 Annual Report

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CHAIR'S MESSAGE



Rural communities across Ontario are important to life in our province. They feed our communities, provide important natural resources, support innovative industries

and businesses and contribute to our economy. Rural places provide spaces to connect with nature and offer a unique lifestyle that many people crave.

Strong rural municipal governments are essential to a thriving Ontario. ROMA is the voice of Ontario's rural municipalities. Our board includes 10 zone representatives from all corners of the province, and at-large members, drawn from the Association of Municipalities of Ontario (AMO) Board's Rural Caucus. A key achievement of the Board in 2019 was improving representation of northern communities by splitting Zone 9, which covered much of the north, and creating a new Zone 10, representing northwestern Ontario.

It's been an honour to serve as chair of the ROMA Board. Our board members hail from all kinds of municipalities – from large urban centres that also have sprawling rural areas within their borders, to small hamlets. We all share a commitment to making rural Ontario stronger by working on shared priorities and challenges. We are united by a range of matters, like improved broadband, better infrastructure and measures to deal with climate change. And like all municipalities, rural communities struggle to meet the growing demand for a complex range of health and human services.

ROMA advocates for a rural lens to be applied to provincial programs and policies that impact our communities. Through AMO's Memorandum of Understanding with the provincial government, ROMA has a seat at the table at provincial-municipal discussions that shape our communities.

The annual ROMA Conference has been growing steadily over the years and has become an important part of the municipal calendar. About 1,200 participants took part in 2019, to share experiences, network, learn from one another and connect with provincial leaders. More than 350 delegation meetings were held – a record number.

In 2019, I had the privilege to visit conferences of the Northwestern Ontario Municipal Association (NOMA), the Federation of Northern Ontario Municipalities (FONOM) and Ontario Small Urban Municipalities (OSUM). ROMA also had a presence at the 2019 International Plowing Match. Visiting different regions of the province helped improve our understanding of the diverse landscapes, needs and priorities across Ontario.

It is important for the municipal community to look for common ground and to find ways to work together to move all of our communities forward. Thank you for the opportunity to play a role in this critical effort.

Sincerely,

A handwritten signature in black ink, appearing to read 'Allan Thompson'.

Mayor Allan Thompson
ROMA Chair

2019 BOARD MEMBERS



Allan Thompson,
Mayor, Town of
Caledon, Chair, Zone 4
Representative, AMO
Rural Caucus



Chris White,
Councillor, County of
Wellington, First Vice Chair,
Zone 2 Representative, AMO
Rural Caucus



Eli El-Chantiry,
Councillor, City of
Ottawa, Second Vice
Chair and Zone 8
Representative



Dennis Crevits,
Councillor,
Municipality of Central
Elgin, Zone 1
Representative



Lloyd Ferguson,
Councillor, City of
Hamilton, Zone 3
Representative



Pam Sayne,
Councillor, Township of
Minden Hills, Zone 5
Representative



Kim Love,
Mayor, Township of
Madawaska Valley,
Zone 6 Representative



Cameron Wales,
Councillor, City of
Brockville, Zone 7
Representative



Bill Vrebosch,
Councillor, City of
North Bay, Zone 9
Representative and
AMO Rural Caucus



Robin Jones,
Mayor, Village of
Westport, AMO Rural
Caucus



Chris Wray,
CAO/Clerk, Township of
Johnson, AMO Rural
Caucus



Peter Emon,
Reeve, Town of
Renfrew, AMO Rural
Caucus



Jan O'Neill,
Mayor, Municipality of
Marmora and Lake,
AMO Rural Caucus

ZONES

ZONE 1

- City of Chatham-Kent
- Elgin County
- Essex County
- Lambton 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 County
- 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



2019 HIGHLIGHTS

ROMA's voice has steadily been growing stronger through its conference, outreach and advocacy work. We work collaboratively with Ontario's municipal community to ensure that provincial funding, policies and programs consider rural perspectives and unique challenges.

The 2019 ROMA Annual Conference attracted more than 1,200 participants and held a record number of provincial delegation meetings. The ROMA Conference has grown to become an important milestone in the municipal-provincial calendar.

ROMA provided important support to our peers, including grants to NOMA and FONOM. Backing our northern colleagues makes all of us stronger. Sponsoring Teeny Tiny Summits allowed small communities to gather regionally, share ideas and learn from one another.

Through a Memorandum of Understanding with the Rural Ontario Institute, ROMA helped support research in rural matters to help inform good, evidence-based decisions.

ROMA participated in the Nuclear Waste Management Ontario Municipal Forum, Greenbelt Consolidation Policy Group, Agricultural Wildlife Conflict Working Group, and AMO Indigenous Relations Task Force.

ROMA was engaged on a number of policy priorities in 2019, including:



Infrastructure

Roads and bridges make up a significant portion of rural budgets. They are our life blood – key to quality of life and economic growth. ROMA adds its voice to all municipal organizations calling for predictable and permanent infrastructure funding.



Broadband

Connectivity should be a solution, not a problem, for rural communities. A number of fixed and cell broadband projects have been funded by the federal and provincial governments. These include SWIFT in southwestern Ontario and the EORN Cell Project in eastern Ontario. The provincial ICON program provides additional funding to rural stakeholders to improve connectivity. This funding helps create public-private projects to expand services. Even more needs to be done to ensure all Ontarians can access basic broadband services.



Climate change

Many rural communities in particular are hard hit by annual flooding driven by increased extreme weather. ROMA has been advocating for greater investments in water and stormwater infrastructure, and flood mitigation and preparedness.



Health and long-term care

Many common challenges related to long-term care hit rural communities particularly hard. Lack of funding and access to beds in a home rural community can be a challenge. Staffing shortages are particularly acute in small rural and northern facilities where it is harder for people to travel across larger areas. ROMA advocates for adequate levels of funding to help address these matters.



Cannabis

While many grow operations are authorized under the federal medical cannabis framework, bundling of individual licenses has resulted in some fairly large grow ops in communities that are not equipped to manage them. This continues to be a challenge for rural communities and ROMA advocates for more resources to manage nuisances arising from these operations.

Rural Ontario Municipal Association
Financial Statements
For the year ended December 31, 2019

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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, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Rural Ontario Municipal Association as at December 31, 2019, 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.

Other Matter

The financial statements of ROMA for the year ended December 31, 2018 were audited by another auditor who expressed an unqualified opinion on those financial statements on June 13, 2019.

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.

Independent Auditor's Report (continued)

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 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
Mississauga, Ontario
June 12, 2020

Rural Ontario Municipal Association Statement of Financial Position

December 31	2019	2018
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Assets

Current

Cash	\$ 71,786	\$ 103,086
Investments (Note 3)	1,113,848	808,006
Accounts receivable	2,213	706
Prepaid expenses (Note 5)	90,316	69,264
	\$ 1,278,163	\$ 981,062

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 51,571	\$ 19,513
Government remittances payable	43,539	39,263
Due to Association of Municipalities of Ontario (Note 4 (a))	5,824	1,413
Deferred revenue (Note 5)	621,265	470,660
	722,199	530,849

Net assets

Internally restricted funds		
Teeny Tiny	32,000	-
Conference	300,000	-
Unrestricted	223,964	450,213
	555,964	450,213
	\$ 1,278,163	\$ 981,062

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	2019	2018
Revenue		
Conference fees	\$ 813,600	\$ 749,954
Interest income	18,301	10,969
	<u>831,901</u>	<u>760,923</u>
Expenditures		
Conference (Note 4 (b))	533,461	406,151
Administration (Note 4 (b))	81,196	80,378
Office and general	64,467	63,545
Sponsorship	38,000	25,000
Professional fees	7,684	12,997
Other	1,342	793
	<u>726,150</u>	<u>588,864</u>
Excess of revenue over expenditures	<u>\$ 105,751</u>	<u>\$ 172,059</u>

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 2019	Total 2018
	Teeny Tiny	Conference	Unrestricted		
Balance , beginning of year	\$ -	\$ -	\$ 450,213	\$ 450,213	\$ 278,154
Excess of revenue over expenditures	-	-	105,751	105,751	172,059
Fund transfers	32,000	300,000	(332,000)	-	-
Balance , end of year	\$ 32,000	\$ 300,000	\$ 223,964	\$ 555,964	\$ 450,213

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	2019	2018
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures	\$ 105,751	\$ 172,059
Changes in non-cash working capital balances		
Accounts receivable	(1,507)	(706)
Prepaid expenses	(21,052)	(12,376)
Accounts payable and accrued liabilities	32,058	2,348
Government remittances payable	4,276	16,695
Due to Association of Municipalities of Ontario	4,411	949
Deferred revenue	150,605	(34,330)
	274,542	144,639
Investing activity		
Purchase of investments	(305,842)	(215,932)
Decrease in cash during the year	(31,300)	(71,293)
Cash, beginning of year	103,086	174,379
Cash, end of year	\$ 71,786	\$ 103,086

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

Rural Ontario Municipal Association

Notes to Financial Statements

December 31, 2019

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 sponsor other not-for-profit organizations at various conferences.

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, sales 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, 2019

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

	2019	2018
One Investment High Interest Savings Account (HISA) bearing interest at bank prime rate less 1.535% (2018 - bank prime rate less 1.535%)	\$ 1,113,848	\$ 808,006

4. Related Party Transactions

- a) Amounts due to AMO are unsecured, repayable on demand and are non-interest bearing.
 - b) Included in administration expense is \$63,194 (2018 - \$62,061) of administration and occupancy costs charged by AMO. Included in conference expenses is \$35,000 (2018 - \$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.
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5. Annual Conference

The registration and sponsorship fees received in fiscal 2019 relating to the 2020 conference are reflected as deferred revenue. The deposits and advances paid by ROMA to its suppliers and vendors for the 2020 conference in fiscal 2019 are reflected as part of prepaid expenses.

Rural Ontario Municipal Association

Notes to Financial Statements

December 31, 2019

6. Financial Instruments Risks

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) pandemic resulting in economic uncertainties impacting ROMA's risks. At this time, the full potential impact of COVID-19 on ROMA is not known.

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. AMO 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 and the amount 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.



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