



ANNUAL REPORT | 2020



Rural Ontario  
Municipal Association

## Message from the Chair



The Rural Ontario Municipal Association (ROMA) is dedicated to strengthening Ontario's rural municipal communities. 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.

In 2020, our commitment to promoting, supporting and enhancing strong and effective rural governments only grew stronger. We started the year with one of our largest annual conferences yet, welcoming more than 1,300 participants to connect, learn and advocate on behalf of their communities. It would be the last time municipal leaders could gather in person before the global COVID-19 pandemic.

In response to the pandemic, ROMA's Board met more frequently to ensure leadership and support was in place for rural municipalities, and we communicated more often with members to share our work and learning.

About 430 of Ontario's 444 municipalities are rural or have rural areas inside their borders. The Board includes 10 zone representatives from all corners of the province, and at-large members, drawn from AMO Board's Rural Caucus. Reflecting a broad cross-section of rural Ontario, the Board is prepared to address the challenges being faced by Ontario's diverse rural communities.

With rural communities' small tax bases and few tools to generate revenues, addressing financial needs was a major priority for the Board in 2020. ROMA supported AMO and worked with other municipal organizations in pressing for critical funding support. This single, unified municipal voice helped achieve the *Safe Restart* funding agreement with both the federal and provincial governments, securing \$4 billion to support municipalities through the COVID-19 pandemic in 2020. 2020 also saw the Government of Ontario commit to maintaining stable funding for the *Ontario Community Infrastructure Fund*, which provides smaller, rural and remote communities with reliable dollars for important core infrastructure. ROMA appreciated this move.

Broadband was another top priority for the Board in 2020. Rural communities were already struggling when the pandemic hit, and the pandemic only served to highlight the impact of poor rural connectivity on education, the economy and quality of life rural communities. Again, ROMA supported AMO and joined our municipal peers in advocating strongly for broadband funding from federal and provincial governments.

In addition, ROMA provided practical support for municipal leaders by developing two resource guides tailored specifically to help Ontario's rural municipal officials understand approaches to improving broadband access, breaking down the technical, legal and regulatory complexities.

Given the pandemic, ROMA provided a rural lens to other major policy priorities such as public health, long-term care and community paramedicine. We continued to engage on non-pandemic matters. We provided input on Ontario's new farm safety legislation, the *Security from Trespass and Protecting Food Safety Act*, which aims to secure safety on farms, while respecting people's rights to express their views. Environmental matters, such as flooding and waste diversion were also top of mind and part of the Board's advocacy efforts in 2020.

2020 was one of ROMA's busiest years ever, and I want to thank my colleagues on the Board for their dedication and commitment. While busy serving their own communities during an unprecedented global crisis, they came together to provide leadership and advocate for solutions that would serve all rural municipalities. Thank you for the honour of serving as your Chair.

Sincerely,



Allan Thompson  
ROMA Chair

*Broadband was another top priority for the Board in 2020. Rural communities were already struggling when the pandemic hit, and the pandemic only served to highlight the impact of poor rural connectivity on education, the economy and quality of life rural communities.*

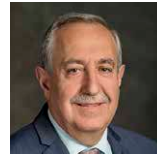
# 2020 Board Members



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



**Chris White**  
1st Vice Chair/  
Zone 2 Representative  
Mayor, Township of  
Guelph Eramosa



**Eli El-Chantiry**  
2nd Vice Chair/  
Zone 8 Representative  
Councillor, City of  
Ottawa



**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



**Kevin Holland**  
Zone 10 Representative  
Mayor, Township of  
Conmee



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



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



**Christa Lowry**  
AMO Rural Caucus  
Mayor, Municipality of  
Mississippi Mills



**Christine Robinson**  
AMO Rural Caucus  
Mayor, Municipality of  
West Grey



**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

## ROMA Zones

### 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

# 2020 Highlights



## ROMA Conference

The 2020 ROMA Conference was the last time that municipal leaders in Ontario gathered in person before the COVID-19 pandemic. More than 1,300 participants gathered to connect, learn and advocate. Key session topics related to rural health care including public health and paramedics, while other sessions focused on broadband expansion and social issues like the opioid crisis. There were also more than 350 delegation meetings with local leaders and provincial officials.

## Broadband Resource Guides

The pandemic highlighted the critical need to improve broadband connectivity in rural areas. To help municipal leaders get on the learning curve and carve a path forward, ROMA created two comprehensive guides tailored specifically for Ontario’s rural municipalities. The *Municipal Primer* gives an overview of the broadband landscape, including Canada’s regulatory framework. The *Municipal Roadmap*, then lays out components of a municipal connectivity plan that municipal councils and staff can implement to create local solutions.

The documents reflect extensive research and the input of leaders across Ontario who have been working in this area. Municipal input was broad, including the wardens’ caucuses, municipal associations and broadband projects such as the Eastern Ontario Regional Network (EORN), Southwestern Integrated Fibre Technology (SWIFT) and Blue Sky Net, among others. The resources also reflect insights from leading researchers at the University of Guelph and Ryerson University who specialize in rural broadband.



## Policy Priorities



**Municipal fiscal relief:** Alongside AMO and FCM at the federal level, ROMA advocated for fiscal relief to help municipalities manage the additional costs of services during COVID and the loss in revenues. Rural communities have a small tax base to begin with and few tools to raise funds. The Safe Restart agreement with the federal and provincial government, valued at \$4 billion in 2020, was critical to maintaining services and financial sustainability.



**Broadband funding:** During the pandemic and beyond, broadband is essential to daily life. People in all communities depend on it to work, learn, socialize and create economic opportunity. For rural communities in particular, it can help overcome the challenges of great distances and small populations. It also provides opportunity to grow communities through remote work. ROMA worked along side others in the municipal sector to advocate for substantial, expedited funding to address the need. Canada's Universal Broadband Fund, and the provincial ICON program represent large and important investments.



**Farm safety regulations:** ROMA supported measures by the Ontario Government to help secure safety on farms, while respecting people's rights to express their views. In 2020, it provided the Province with input on the regulation under the *Security from Trespass and Protecting Food Safety Act*. ROMA advocated for clear definitions and rules that minimize red tape to achieve the Act's goals. Peaceful protests should also ensure the safety of farms, farm families and their staff, and our food supply.



**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.



**Blue Box and Waste Diversion:** ROMA continued to work on the transition of waste diversion programs to full producer responsibility. Full producer responsibility places the accountability for end-of-life management for products and packaging with the party most able to influence their sustainability – the producers who make them. ROMA has worked with AMO and other stakeholders to advocate for this transition and to identify future programs and items that should be designated for waste diversion programs.

**Rural Ontario Municipal Association**  
**Financial Statements**  
For the year ended December 31, 2020

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## Independent Auditor's Report

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### 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, 2020, 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 ROMA as at December 31, 2020, 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  
June 11, 2021

## Rural Ontario Municipal Association Statement of Financial Position

**December 31** **2020** **2019**

### Assets

#### Current

Cash	\$ 107,271	\$ 71,786
Investments (Note 3)	916,281	1,113,848
Accounts receivable	815	2,213
Prepaid expenses (Note 5)	35,930	90,316
Due from Association of Municipalities of Ontario (Note 4 (a))	1,023	-
	<b>\$ 1,061,320</b>	<b>\$ 1,278,163</b>

### Liabilities and Net Assets

#### Current

Accounts payable and accrued liabilities	\$ 57,644	\$ 51,571
Government remittances payable	15,443	43,539
Due to Association of Municipalities of Ontario	-	5,824
Deferred revenue (Note 5)	244,900	621,265
	<b>317,987</b>	<b>722,199</b>

#### Net assets

Internally restricted funds		
Teeny Tiny	32,000	32,000
Conference	300,000	300,000
Unrestricted	411,333	223,964
	<b>743,333</b>	<b>555,964</b>
	<b>\$ 1,061,320</b>	<b>\$ 1,278,163</b>

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	2020	2019
<b>Revenue</b>		
Conference fees	\$ 947,920	\$ 813,600
Interest income	11,492	18,301
	<b>959,412</b>	<b>831,901</b>
<b>Expenditures</b>		
Conference (Note 4 (b))	555,657	533,461
Administration (Note 4 (b))	158,835	81,196
Office and general	24,385	64,467
Sponsorship	20,000	38,000
Professional fees	12,916	7,684
Other	250	1,342
	<b>772,043</b>	<b>726,150</b>
<b>Excess of revenue over expenditures</b>	<b>\$ 187,369</b>	<b>\$ 105,751</b>

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>			<b>Total 2020</b>	Total 2019
	<b>Teeny Tiny</b>	<b>Conference</b>	<b>Unrestricted</b>		
<b>Balance, beginning of year</b>	<b>\$ 32,000</b>	<b>\$ 300,000</b>	<b>\$ 223,964</b>	<b>\$ 555,964</b>	\$ 450,213
Excess of revenue over expenditures	-	-	<b>187,369</b>	<b>187,369</b>	105,751
<b>Balance, end of year</b>	<b>\$ 32,000</b>	<b>\$ 300,000</b>	<b>\$ 411,333</b>	<b>\$ 743,333</b>	\$ 555,964

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	2020	2019
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures	\$ 187,369	\$ 105,751
Changes in non-cash working capital balances		
Accounts receivable	1,398	(1,507)
Prepaid expenses	54,386	(21,052)
Accounts payable and accrued liabilities	6,073	32,058
Government remittances payable	(28,096)	4,276
Due (from) to Association of Municipalities of Ontario	(6,847)	4,411
Deferred revenue	(376,365)	150,605
	(162,082)	274,542
<b>Investing activity</b>		
Redemption (purchase) of investments	197,567	(305,842)
	35,485	(31,300)
<b>Increase (decrease) in cash during the year</b>		
	35,485	(31,300)
<b>Cash, beginning of year</b>	71,786	103,086
	107,271	71,786
<b>Cash, end of year</b>	\$ 107,271	\$ 71,786

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

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# Rural Ontario Municipal Association

## Notes to Financial Statements

December 31, 2020

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### 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.

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### 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.

#### Revenue Recognition

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

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## Rural Ontario Municipal Association Notes to Financial Statements

**December 31, 2020**

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### 3. Investments

	<u>2020</u>	<u>2019</u>
One Investment High Interest Savings Account (HISA) bearing interest at bank prime rate less 1.535% (2019 - bank prime rate less 1.535%)	<b>\$ 916,281</b>	<b>\$ 1,113,848</b>

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### 4. Related Party Balance and Transactions

- a) Amounts due from AMO are unsecured, receivable on demand and are non-interest bearing.
  - b) Included in administration expense is \$69,461 (2019 - \$63,194) of administration and occupancy costs charged by AMO. Included in conference expenses is \$35,000 (2019 - \$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 2020 relating to the 2021 conference are reflected as deferred revenue. The deposits and advances paid by ROMA to its suppliers and vendors for the 2021 conference in fiscal 2020 are reflected as part of prepaid expenses.

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## Rural Ontario Municipal Association Notes to Financial Statements

December 31, 2020

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### 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 and government remittances payable. 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, investments, and amounts due from AMO. 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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### 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 in person prior to the outbreak of COVID-19, however the 2021 conference was 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

**Rural Ontario  
Municipal Association  
(ROMA)**

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