

2023

Annual Report



Message from the Chair



*As we look ahead,
let us continue
to build on this
momentum, working
collaboratively to
address the needs
of our communities
and shape a bright
future for all of rural
Ontario.*

2023 was a year of change for the Rural Ontario Municipal Association (ROMA). We had a record number of candidates throw their hat in the ring for a new term on the ROMA Board. Our incoming Board members brought new energy, fresh perspectives, and enthusiasm to our work on behalf of rural Ontario.

The ROMA Conference was also our largest event to date, welcoming 1,500 attendees for three incredible days, demonstrating the importance of a dedicated forum to address the many challenges and opportunities that rural communities face.

ROMA acts as the rural arm of AMO, advocating on rural matters and collaborating with AMO on provincial matters that have broad implications in rural places. ROMA works to inform advocacy and to shine a light on unique rural needs.

ROMA's *Attainable Housing Task Force* report, released at the Conference, is an example of this work. The report represents a year's worth of collaboration, research and stakeholder engagement through the Attainable Housing Task Force. It calls for changes to the Provincial Policy Statement and outlines practical steps and recommendations to address municipal financial and planning challenges, while also recognizing that housing is a complex issue that requires a multi-pronged approach.

In 2023 ROMA also joined municipalities across Ontario in actively challenging federally regulated railways that have refused to contribute their fair share towards the cost of drainage work on their property. The cost-sharing for these essential infrastructure projects has been legislation in Ontario for more than a century. ROMA continues to support municipalities in navigating these complex challenges.

I am proud of what we have achieved together in 2023. Our dedicated Board, successful conference, and our advocacy reflect our shared commitment to the advancement and well-being of rural Ontario. As we look ahead, let us continue to build on this momentum, working collaboratively to address the needs of our communities and shape a bright future for all of rural Ontario.

A handwritten signature in black ink that reads 'Robin Jones'.

Robin Jones
ROMA Chair

Board Members



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



Christa Lowry
*First Vice Chair,
Zone 8 Representative*
Mayor, Municipality of
Mississippi Mills



Sandra Datars Bere
*Second Vice Chair,
AMO Rural Caucus*
City Manager, City of St.
Thomas



Jamie McGrail
Zone 1 Representative
Councillor, Municipality of
Chatham-Kent



Steve McCabe
Zone 2 Representative
Councillor, Township of
Wellington North



Dave Beres
Zone 3 Representative
Deputy Mayor, Town of
Tillsonburg



Christina Early
Zone 4 Representative
Councillor, Town of
Caledon



Pam Sayne
Zone 5 Representative
Councillor, Township of
Minden Hills



Jennifer Murphy
Zone 6 Representative
Councillor, County of
Renfrew



Carma Williams
Zone 7 Representative
Councillor, Township of
North Glengarry



Mark Wilson
Zone 9 Representative
Councillor, City of
Temiskaming Shores



Janet Hager
Zone 10 Representative
Councillor, Municipality
of Red Lake



Peter Emon
AMO Rural Caucus
Reeve, Town of Renfrew



Paul Latam
AMO Rural Caucus
Councillor, Town of Grand
Valley



Rainey Weisler
*AMO Rural Caucus/Deputy
Mayor*
Municipality of Bayham

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

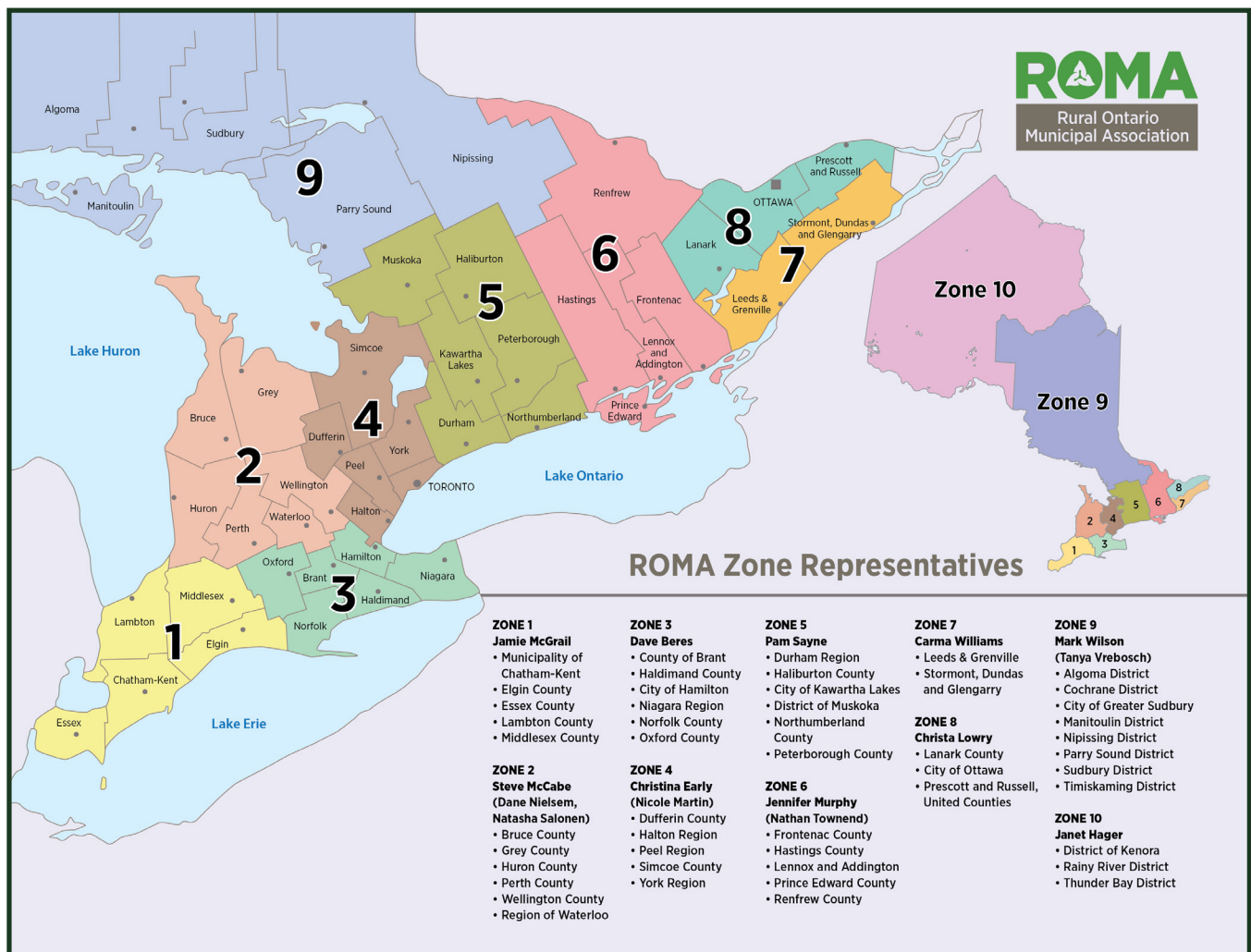
- Lanark County
- City of Ottawa
- Prescott and Russell, United Counties

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



2023 Highlights



ROMA Conference

After hosting two back-to-back successful virtual conferences in 2021 and 2022, ROMA's Board was ready to be back in-person for its 2023 event. It was clear that rural municipal staff and elected officials felt the same. We welcomed more than 1,500 people – our largest number of attendees to date – to downtown Toronto for our three-day conference.

The conference served as the first major event following the 2022 municipal election and was an excellent opportunity for newly elected councillors to network with peers and learn about rural municipal advocacy. Attendees participated in hundreds of delegation meetings with provincial officials that focused on their most pressing local matters. The fulsome conference program offered dozens of sessions, workshops and main stage programming on share rural municipal priorities

Our conference theme, “Breaking New Ground” spoke to ROMA's efforts to rethink rural Ontario's place in the overall social and economic vitality of the Province, and how to strengthen our rural communities.

Election of New Board Members

2023 was an election year for ROMA and the number of candidates for board positions was the largest ever. The elections decided representatives for each of 10 different zones across Ontario to serve on the Board from 2023-2027. This interest in serving is a testament to ROMA's growing voice in rural Ontario.

The Association of Municipalities of Ontario (AMO) Board's Rural Caucus, which is elected for two years also sits on the ROMA Board. This way, ROMA benefits from a Board that has both geographic representation and links to broader municipal advocacy.



Trains and Drains

One of ROMA's key advocacy areas in 2023 was focused on holding federally regulated railways accountable for paying their fair share of drainage fees to Ontario's municipalities.

ROMA sought intervener status in a dispute between CN Rail and the City of Sarnia over the cost of critical drain work on CN property.

The *Drainage Act* is one of Canada's oldest laws, dating back to 1859. Under this legislation, landowners share the cost of work for municipal drains on the owner's property. Federally regulated railways believe they are not bound by provincial or municipal legislation.

At least 30 municipalities have been impacted by railways' refusal to comply with the *Drainage Act*. ROMA plans to continue its advocacy work on this critical issue in 2024.

Access to Services: Fill the Gaps Closer to Home

ROMA's 2023 advocacy built on its 2022 flagship paper, *Opportunities for Rural Ontario in a Post-COVID World*. ROMA understands that municipalities bear too great a share of health care costs, despite health care being primarily a function of the province. Rural property taxes cannot subsidize the steep cost of providing equitable health care services across Ontario. Through research, data collection and stakeholder engagement, the ROMA Board developed *Fill the Gaps Closer to Home*, a comprehensive research paper with more than 20 recommendations for provincial consideration to lessen the health care burden on municipal governments and bring improved health care and social services to rural residents.

ROMA Post-Secondary Awards

The ROMA Board recognizes that fostering rural leaders and supporting rural youth to achieve their educational goals benefits students and communities.

In 2021, the Board approved a commitment of \$15,000 per year for five years to establish post-secondary awards at the University of Guelph, Lakehead University, and Trent University – three institutions from across Ontario with strong connections to rural and Northern communities, Indigenous communities, and rural industries.

The ROMA Board was proud to present the Trent University Award to third-year Trent student Carly Walker in 2023. Walker grew up on a farm in North Dundas and is the first generation in her family to attend post-secondary school.



Rural Ontario Municipal Association
Financial Statements
For the year ended December 31, 2023

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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, 2023, 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, 2023, 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 14, 2024

Rural Ontario Municipal Association Statement of Financial Position

December 31	2023	2022
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Assets

Current

Cash	\$ 127,280	\$ 121,833
Investments (Note 3)	1,555,377	1,183,759
Accounts receivable	7,692	4,275
Prepaid expenses (Note 5)	62,891	76,026
Due from Association of Municipalities of Ontario (Note 4(a))	3,220	514
	\$ 1,756,460	\$ 1,386,407

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 61,497	\$ 47,980
Government remittances payable	93,600	80,576
Deferred revenue (Note 5)	976,490	767,650
	1,131,587	896,206

Net assets

Internally restricted funds		
Teeny Tiny	19,800	23,500
Conference	300,000	300,000
ROMA Post Secondary Education Fund	35,500	50,750
Unrestricted	269,573	115,951
	624,873	490,201
	\$ 1,756,460	\$ 1,386,407

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	2023	2022
Revenue		
Conference fees	\$ 1,035,991	\$ 408,076
Interest income	52,643	17,633
	<u>1,088,634</u>	<u>425,709</u>
Expenditures		
Conference (Note 4 (b))	593,948	326,328
Administration (Note 4 (b))	176,899	167,304
Office and general	105,004	33,409
Professional fees	39,309	59,871
Sponsorships	27,450	44,426
Other	11,352	5,458
	<u>953,962</u>	<u>636,796</u>
Excess (deficiency) of revenue over expenditures	\$ 134,672	\$ (211,087)

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>					
	ROMA Post Secondary Education Fund	Teeny Tiny	Conference	Unrestricted	Total 2023	Total 2022
Balance, beginning of year	\$ 50,750	\$ 23,500	\$ 300,000	\$ 115,951	\$ 490,201	\$ 701,288
Excess (deficiency) of revenue over expenditures	-	-	-	134,672	134,672	(211,087)
Fund transfers	(15,250)	(3,700)	-	18,950	-	-
Balance, end of year	\$ 35,500	\$ 19,800	\$ 300,000	\$ 269,573	\$ 624,873	\$ 490,201

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	2023	2022
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 134,672	\$ (211,087)
Changes in non-cash working capital balances		
Accounts receivable	(3,417)	(3,744)
Prepaid expenses	13,135	(62,356)
Due from Association of Municipalities of Ontario	(2,706)	(4,301)
Accounts payable and accrued liabilities	13,517	(2,056)
Government remittances payable	13,024	66,894
Deferred revenue	208,840	555,950
	377,065	339,300
Investing activity		
Purchase of investments	(371,618)	(288,468)
Increase in cash during the year	5,447	50,832
Cash, beginning of year	121,833	71,001
Cash, end of year	\$ 127,280	\$ 121,833

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

Rural Ontario Municipal Association

Notes to Financial Statements

December 31, 2023

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, 2023

2. Significant Accounting Policies (continued)

Revenue Recognition

The Association follows the deferral method of accounting for conference fees. Conference fees are recognized as revenue when the event occurs. Interest income is recognized as revenue in the period it is earned.

3. Investments

	2023	2022
ONE Investment High Interest Savings Account (HISA) bearing interest at bank prime rate less 1.735% (2022 - bank prime rate less 2.235%)	<u>\$ 1,555,377</u>	<u>\$ 1,183,759</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 from AMO are unsecured, due on demand and are non-interest bearing.
 - b) Included in administration expense is \$95,070 (2022 - \$93,072) of administration and occupancy costs charged by AMO. Included in conference expenses is \$35,000 (2022 - \$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 2023 relating to the 2024 conference are reflected as deferred revenue. The deposits and advances paid by ROMA to its suppliers and vendors for the 2024 conference in fiscal 2023 are reflected as part of prepaid expenses.

Rural Ontario Municipal Association

Notes to Financial Statements

December 31, 2023

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 amount 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.



Rural Ontario
Municipal Association

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