

An abstract graphic design featuring a large yellow rectangle in the top left corner. The rest of the page is dominated by a large, vibrant green shape that resembles a stylized leaf or a flowing ribbon, with various shades of green and black outlines. A dark purple banner is positioned in the lower-left quadrant, containing the text 'ANNUAL REPORT 2018' in white, bold, sans-serif font.

# ANNUAL REPORT 2018

Association of Municipalities of Ontario

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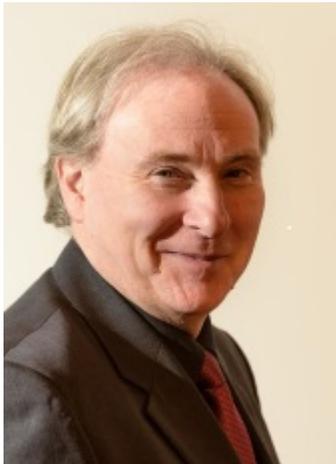
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## MESSAGE FROM THE AMO PRESIDENT



**March 1, 2019**

2018 was a year of change. It saw us say goodbye to colleagues on councils and on the AMO Board. We welcomed new people to both. Learning curves were steep. New councils had to figure out quickly how communities felt about having cannabis retail storefronts. At the same time, Councils had to get ready for new and extensive integrity and transparency rules. Then there was the need to get ready for infrastructure funding programs. And along the way, new councils worked on service needs and built their 2019 budgets, looking for efficiencies and savings as is done every year. On top of all of this is the constant work of councils at solving local issues while keeping an eye on provincial changes that also influence their work.

2018 also saw a new provincial government – one that started work right away, somewhat fast and furious. There was seldom a summer or fall day without AMO involved in a meeting at Queen's Park. At AMO, we needed to get familiar with the new government and offer it ideas that could help municipal governments, and particularly those that would not put pressure on the provincial treasury. It is clear that reducing the provincial deficit is its 'mission critical' and the new government did not take much time to begin work on its agenda.

The municipal sector, speaking with one voice realized some early successful changes that solved several long-standing issues. Two important changes saw provincial government move to protect firefighters who volunteer in their home communities on their own time. In addition, it changed the interest arbitration process for fire (e.g. single arbitrator, timing for decisions and written decisions) and importantly, provided new municipal fiscal health criteria that an arbitrator must consider. In August, the Premier committed to consulting with councils and citizens as part of the regional reviews he wanted to undertake. The process, which includes two former and respected municipal officials, is consultative – seeking input from councils, public and others in the eight municipal regional jurisdictions that is the government's focus. We have yet to see where the reviews may land and what it means for governance and services. AMO supports a consultative process at the front end and importantly will be watching for a consultative process if major change is introduced legislatively. The Premier also committed to looking at the joint and several framework. In the fall of 2018, we presented municipal perspectives on financial sustainability and what the government should and should not do as part of its work to eliminate its deficit. As a transfer partner, we are anxious about the upcoming 2019 provincial budget that cost-shared services are not at risk. I expect the first seven months of my term as President will be relatively simple compared to what may come.

AMO has been your voice for 120 years and I reflect on all the amount of change over those years. It is staggering - from the introduction of electricity and fast-forward to today and the arrival of smart cars. The introduction of the internet and cellphones and are having a profound effect on public services, personal business, changing workforce and access. It has even

changed the way people can vote – at least at the municipal level. Through it all, municipal governments have led innovation and adapted to it. Dare I say that more change will come and we will need to work through it too? It will be important to look at how any change can make life and public safety better, without making municipal fiscal health even more precarious.

The work of your Board of Directors is timely and persuasive. It is proactive and at the same time reactive to provincial and federal legislative change. I applaud them for their dedication. Being on the AMO Board brings with it the responsibility to look beyond one's own municipal government. Bringing a variety of perspectives, from north to south, from urban to rural – this is part of AMO's value proposition to all orders of government. It is important to members too.

I want to thank Lynn Dollin, Mayor of Innisfil who completed her two-year presidential term in August 2018. Her leadership was strong and effective – inspiring me to do my best for you too. AMO is a membership driven organization. To our members, thank you for having the confidence in our work and efforts to represent your interests. If history is any indication, there will be successes, near hits and disappointments. Though it all, let's not lose sight that municipal governments make a difference; that as an order of government, are the most respected because we care about the well-being of our citizens, our communities. I look forward to working with you in 2019!



**Jamie McGarvey**  
President

***“The municipal sector, speaking with one voice, realized some early successful changes that solved several long-standing issues.”***



## SECRETARY-TREASURER REPORT

**March 2019**

I am pleased to provide you with my report on the 2018 financial status and some highlights of Association from a corporate lens.

AMO welcomed new members to the Board to fill 12 positions vacated due to the municipal elections. As was noted in the call to members for Expression of Interest to serve, the objective was to improve the eastern Ontario representation and to add more women to the Board. Forty-one responses were received, offering the Board the opportunity to achieve the objective. A full Board orientation was done this month, covering corporate governance and policies that guide the corporation.

The Finance and Operations Centre undertook a significant role in reporting the outcomes of the 2018 municipal election with real time local results. The site gathered over 197,000 hits since it launched last October. The support for municipal returning officers was instrumental in its success. It helped us update our membership database too.

AMO continues to have a strong consistent membership base. In 2018, AMO had a membership of 419 municipal members, with additional support from 31 organizations that were Partners, Associates, Districts and Affiliates.

A copy of the audited financial statements for the year ending December 31, 2018 is included in this report. The Association continues to be in good financial shape. Revenue sources for the corporation come from two key areas - membership fees and the annual conference. AMO's Audit Committee meets three times a year with the auditors as part of the Association's accountability framework.

AMO's own website had over 438,000 unique visitors in 2018. Subscription to the weekly AMO Watch File is currently at 7,870. Communicating with our members, keeping everyone up to date is just part of the value added proposition of an AMO membership.

The Finance and Operations Centre is the backbone of the corporate operations including the financial management, reporting and risk management, as well as the management of its assets, information services, website management and information technology. Their work is important to the success of the Association and its subsidiary corporations, MEPCO and LAS.

Together with the AMO Board, we strive for excellence in working to achieve results for its members. I very much appreciate the support of the County of Simcoe as I carry out this role for AMO.

Respectfully submitted,

**Trevor Wilcox**

Secretary-Treasurer – AMO, General Manager, Corporate Performance, County of Simcoe

## FROM PAT VANINI, EXECUTIVE DIRECTOR



Annual reports offer the opportunity to report out on the year in question but I will stray a bit back in time and also forward.

I joined AMO in 1996 to help AMO with the transition to a new *Planning Act*, which was the second major rewrite since I joined the planning profession in the 70's. Shortly after arriving at AMO, there was a change in government and it wanted to redo the Act even though the ink on the new one was barely dry. History seems to be repeating itself. The recent reversion to "hearing de novo" is extremely disappointing for an old(er) municipal land use planner!

AMO is a wonderful place to grow and work and importantly to help its members. There is never a lack of municipal concerns to champion or in responding to governments' agendas or programs and to develop municipal capacity. There have been many ups and downs over the years – the province-wide impacts of the Walkerton Inquiry, building a path to producer responsible for waste, establishing a non-application, predictable source of infrastructure funding through the federal gas tax fund and achieving broader municipal powers in the *Municipal Act*. There was the intensive "Who Does What" work followed by "mega-week" downloading in 1997 and a 2008 agreement to upload about \$1 billion of social benefit programs over time.

The municipal sector is facing a new chapter of change, yet a similar theme - a provincial deficit situation that is catching municipal governments as part of the solution. Can the provincial-municipal relationship find alternatives that can address the fiscal health realities of each? At the time of writing, I will hold onto hope that this door is open to pursue. Looking further forward, at some point, there has to be a groundbreaking change that gives Ontario municipal governments the right financial tools that truly fit with their responsibilities. Municipal governments should not be vulnerable to the state of provincial finances. AMO's work on tracking the sector's fiscal health (the Local Share project) will continue and AMO along with the tenacity of the sector will help shape the municipal future.

It seems a bit surreal that we finally have a solution that fully protects double hatter firefighters. Several very brave individuals helped get this over the finish line. It is equally notable that there is a better set of criteria to measure the municipal 'capacity to pay' for fire arbitration. Both are successes that demonstrate how clear, reasoned positions, consistency and a united voice are hard to ignore.

Through it all, AMO has been able to tap the expertise of its membership. This network gives the sector a leg up on developing solutions that work for municipal governments. It is to the

province's detriment when they do not listen. To the many municipal volunteers – a big thank you!

AMO's Presidents and governing Boards have helped me become a better strategic thinker and I get to work with staff who are equally motivated to reach success for members and the organization. From building service programs through the Enterprise Centre and LAS which enhances municipal capacity, to the Membership Centre which brings timely education programs and manages funding agreements, to the Finance and Operations Centre, the backbone of the organization and the Policy Centre that stays on top of members' legislative interests - every member benefits. The Executive Centre is well-served by Lorna, more precisely Lorna Ruder who keeps myself, the President, the Board in the right place at the right time with the right information. To all staff at AMO – you are the peanut butter in all of what the Association does. You are an incredible team who make the iceberg float and not topple over.

Thank you for your support! This is my last report as Executive Director and I will cheer the Association on from the sidelines. Be united in spirit and in action. Be well.

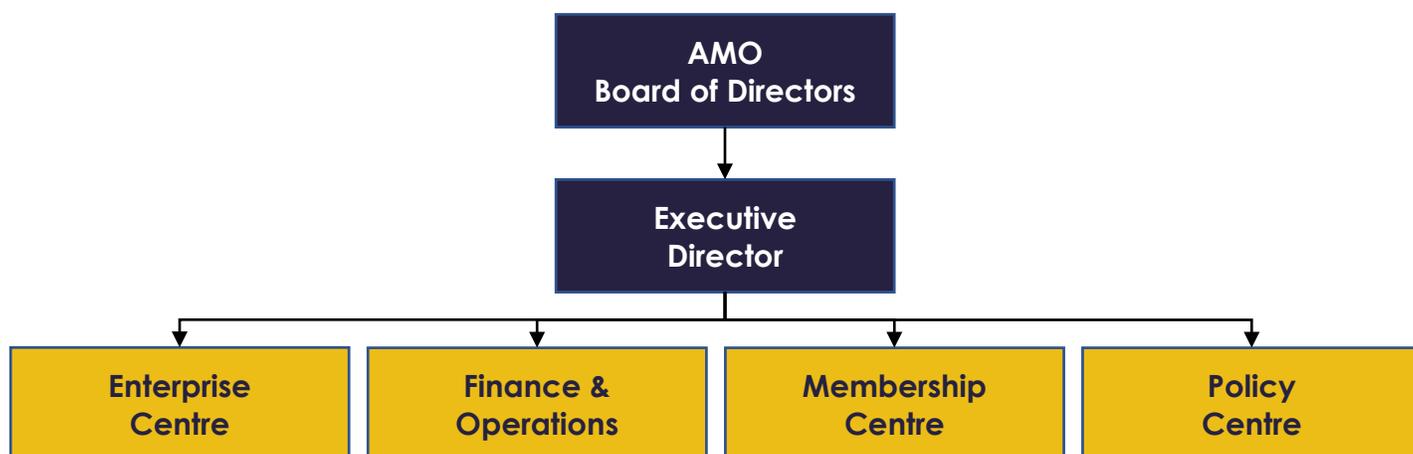
### **Pat Vanini**

Executive Director  
Association of Municipalities of Ontario

### **AMO's Vision Statement**

***“In Ontario’s municipalities, people and families can live, thrive and prosper in the communities they call home, and children will have the choice and opportunity to live and work in the communities where they were raised.”***

# AMO STRUCTURE



## AMO's Enterprise Centre

The Enterprise Centre builds strategic relationships with partners where there is shared value – the partner succeeds in achieving business goals while AMO maximizes benefits to members.

Municipal governments are exploring how to harness digital technologies to improve service delivery, operational efficiencies, and engagement with residents. EC has secured partnerships with Solutions Notarius Inc. a provider of digital signature solutions and eSCRIBE a provider of meeting management and livestreaming technology.

These are two examples of efforts that are consistent with the Ontario government's priorities of encouraging municipal governments to further efficiencies and to modernize services. AMO continues to identify potential partners that offer cost-effective, proven, and appropriate technology to help members with digital transformation efforts.

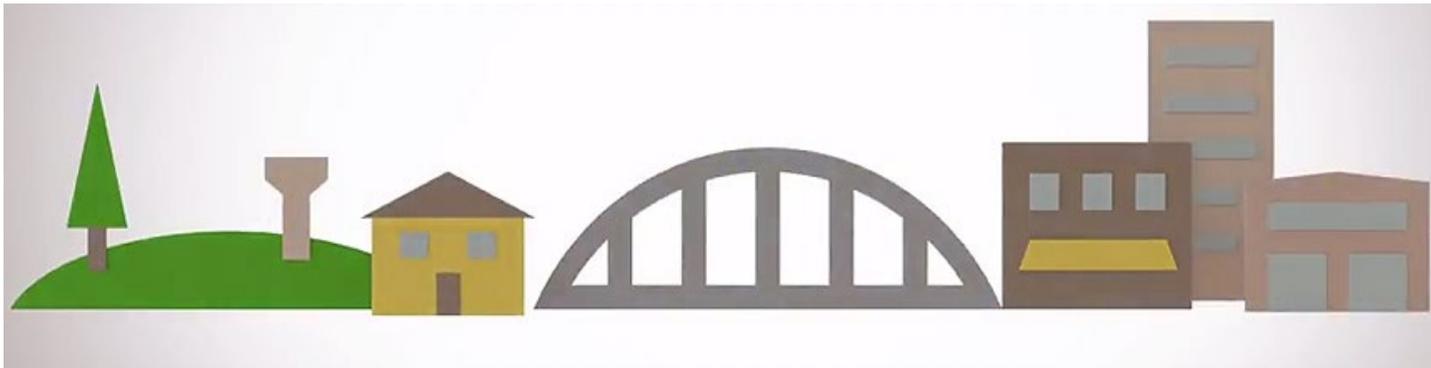
**Judy Dezell, Director**

## AMO's Membership Centre

The Membership Centre supports AMO and its members through the coordination of events, education and training, the management of key transfer payment programs, and the fulfilment of AMO's responsibilities as a key sponsor of the \$97 billion OMERS plan.

In 2018, the Membership Centre's Gas Tax team distributed \$630 million in federal Gas Tax program funding to 442 municipalities in every part of Ontario, and worked with recipient municipalities to promote the program and make advances in municipal asset management. It also saw the distribution of agreements to 413 municipalities eligible to receive funding from the \$26 million Mainstreet Program delivered by AMO on behalf of OMAFRA. The Centre also revamped its new councillor training programs to be ready to support new councils following the 2018 municipal election and, in August, welcomed about 2000 participants to the annual AMO Conference.

**Brian Rosborough, Director**



### AMO's Policy Centre

By the end of 2018, the Centre executed an advocacy strategy that achieved success for some long-standing municipal interests. Full protection for doublehatters, revoking the mandatory certification fire regulation, more balanced fire services interest arbitration criteria, to the reduction of workplace labour items from the previous Bill 148 were significant advancements for the municipal sector.

It was also a year to deal with recreational cannabis and new municipal governments had little time to make decisions about allowing retail stores. Members welcomed AMO's Municipal Cannabis Policy Statement Template to assist council decision-making on opting in or out of cannabis retail stores in their area.

Much of the policy development work involved municipal volunteers from across the province. This is invaluable to our process so that our advocacy is on point with municipal interests and ability to implement.

**Monika Turner, Director**

### AMO's Finance and Operations Centre

Finance and Operations is always busy managing many databases, IT systems and accounting policies. With municipal elections in 2018, the Centre wanted to improve on the 2014 election work. It designed a highly successful 2018 election results website. The new election site (URL is [elections.amo.on.ca](http://elections.amo.on.ca)) features an interactive Ontario map with municipal boundaries and pertinent municipal election results.

The new site generated a great deal of interest and results used by media and the public at large. It had over 90,000 page views on election night alone! The new election site application captured election data faster, allowing AMO to provide statistics and election information for media use on a timely basis. We owe the success of the project to the great effort made by the municipal election returning officers and their cooperation with AMO staff.

**Afshin Majidi, Director**

# AMO BOARD OF DIRECTORS

## 2018 STRATEGIC OBJECTIVES – FINAL REPORT

	ACTIVITY	STATUS
<b>Position Municipal Government Interests in 2018 (AMO/Province/Feds)</b>		
1	Promote municipal interests, build public awareness through AMO's Provincial Election Strategy – "Local Share, Local Say"	Completed research/analysis of trends and municipal fiscal situation and future trajectory. Provided members, media, province and others a complete picture. Media/social media and members utilised the information. Forms basis of municipal interest and ongoing and future interaction with all orders of government.
2	Monitoring and evaluation of each provincial party's platform going into and throughout the campaign	Completed; information was consistently updated during the campaign and shared with members; posted on AMO website immediately and used with media.
3	Prepare AMO's First 100 Days Plan to execute with new government and Cabinet members and press for outcomes as part of the government's own legislation plan.	Policy priorities and briefing documents prepared for Ministerial meetings with the key officials completed; meetings held; Province takes up suggestion that MOU be resigned with new government; Saw early solutions to issues. See Activity 4.
4	There will be policy work coming from the platform of the elected government and our government advocacy.	In the Fall, during the first 4 months of government's term, achieved: full protection for double-hatters; fire interest arbitration 'Capacity to Pay' criteria change; revocation of fire regulation; reduction/removal of workplace labour impacts of Bill 148; establishment of red tape project to reduce municipal reporting and other policies that impact the cost of municipal administration.

	ACTIVITY	STATUS
5	Broaden municipal advocacy approach on specific policy matters.	AMO issues multi-faceted Health Policy discussion paper and Duty to Consult discussion paper released. New WSIB-AMO forum established to better manage presumptive PTSD claims. Involvement of other stakeholders in policy development/advocacy work utilized municipal experts in numerous task forces.
6	Prepare longer term Communication Plan so members well informed in timely manner and interests shared given the reduction of local papers.	Change to AMO technology to improve how we communicate with members; updated municipal council data base post municipal election; profiled loss of local papers and offered ideas on how municipal social media and websites could help fill the gap.
7	Achieve Phase 2 Can-ON Agreement that meets predictable and sustainable principles with rollout before spring 2018.	Can-ON Agreement signed in March 2018. Intakes delayed by both provincial and then municipal elections. AMO advises municipalities to be ready for possible early 2019 intake; federal gas tax continues to roll out unimpeded.
<b>Strengthen Municipal Relationships (AMO/Members)</b>		
8	Increase alignment on key priorities with all municipal sector based groups; more clearly articulate how each is reflected in the policy position which will in turn bolster advocacy and communications	AMO staff have worked with a variety of municipal groups on cannabis (several by-law enforcement groups public health, municipal legal and political members) to strengthen AMO's work. AMO staff worked across sector on many policy issues with many other associations including OAPC, OAFB, OAPC, OAPSB, AMCTO, OMAA, ESSC, OMHRA, RPWCO, MWA as well ALPHA, OHA, OAPSB to increase advocacy and communication alignment on AMO's priorities.
9	Demonstrate value of AMO through goal of three new AMO program partners (not to be confused with LAS	Consolidated Associations partnerships with the Frank Cowan Company; initiated partnership with Municipal World on 'best practices'.

	ACTIVITY	STATUS
10	Investigate a client driven member communication approach that would allow client selected / customized communication	Phase one of the communication tool is configured and being tested for use in 2019.
11	Prepare for 2018 – 2020 municipal government term; role of AMO as an association and how it works; promote the programs that Local Authorities Services provides that will save money; share the mandate and role of Municipal Employers Pension Centre of Ontario	Information package/welcome to AMO provided to councils for first meeting of the new term (Dec 2018). New videos illustrating the benefits of AMO membership sent to all councillors in December 2018; promotion of AMO's education and training plan for 2019.
12	Work with major broadcaster and municipal returning officers on election night returns to improve upon 2014 results experience	Successfully completed the design and launch of election website; involved partnering with major broadcaster providing the wide and timely coverage; some media outlets cut their coverage so AMO's website helped fill a gap; highly successful
13	Continue to build relations/shared interests with other associations and groups that have an interest in municipal services and community well-being	Outreach through AMO's education and training sessions; building new sponsors of events. See 9 above.
<b>Focused Support on Municipal Capacity Building</b>		
14	Education on <i>Bill 68, Modernizing Ontario's Municipal Legislation Act, 2017</i> , implementation activities to help councils prepare (e.g., integrity elements)	In-person workshops held in conjunction with 2018 ROMA Conference, Webinar, Codes of Conduct clinic offered for 2018 AMO Conference delegates. Legislative changes made to all appropriate councillor training materials for 2019.
15	Prepare Councils for new land use decision-making regime	Developed and tested new training module; to be offered as half-day land use policy session attached to the New Councillor sessions.

	ACTIVITY	STATUS
16	Implementation of cannabis in ON and solidify revenue sharing of cannabis federal excise tax for ON municipal governments	Reached early agreement in March 2018 and while the envelop remained at \$40 million, the distribution method was changed by the new government, centering it on municipalities agreeing to host retail stores; province then moved from LCBO model to an open market licensed through AGCO with no role for municipal governments in location/planning. In response to the new direction, AMO developed a cannabis “Towards a Long-Term Vision For Municipal-Use of the Cannabis Excise Tax” to help municipalities deal with/provide input to AGCO license application process to try to protect municipal interests by providing insight/advice on proposed locations so that AGCO not work in a vacuum. Number of stores became very restricted given supply problems.
17	Revamp councillor training program and materials and prepare marketing plan for early 2019 delivery	Material overhauled. Marketing plan completed and put into action.
18	Review e-learning approach and update current e-curriculum to reflect recent changes in legislation	Updated on-line programming content of current modules: So You Want to Run for Council; Land Use Planning: Risk Management and Social Media.
19	Expand the culture of asset management for elected officials' role	Released report on sector progress in Asset Management as part of Outcomes Report under Federal Gas Tax. Secured FCM Funding for a pilot project in partnership with AMOntario; intent is to help establish, govern and embed asset management systems in small and medium-sized municipalities in Ontario. AMO undertook robust outreach program with multiple presentations and sessions across Ontario.

	ACTIVITY	STATUS
20	Continue work on smooth transition for extended producer responsibility with province	Post election held positive discussions with new Minister. As Blue Box Program Plan amendment process failed, pursuing regulatory approach with ministerial direction for the Blue Box for transition.
<b>Build More Capacity Within AMO</b>		
21	Develop a municipal data collection priority plan that can support municipal governments and Open Data	Development of priority plan and feasibility will continue in 2019.
22	Deliver a Board governance program that includes new Board and Board member orientation and mentoring approach	AMO Board manual updated; preparation underway for early 2019 Board Orientation session once Board vacancies filled.
23	Use Committee of the Whole approach to delve into various initiatives and to strengthen Board members' advocacy.	Enabled productive discussions with and between Board members on items such as: Local Share, Provincial Election Strategy, Cannabis, Waste Diversion and <i>Police Services Act</i> review.
24	Undertake multi-year fiscal forecasting for AMO and its two corporations (LAS and MEPCO) to identify any risks and mitigation strategies.	Delivered phase one (budget orientation); Phase 2 delivery delayed due to election and onboarding of new board members; work to continue in 2019.
25	Investigate new conference registration system that is more efficient for delegates and AMO resources.	New registration system successfully implemented in 2018; very high satisfaction of AMO Conference delegates (1500); resulted in less administrative and physical work for staff.
26	Impacts of <i>Bill 148, Fair Workplaces and Better Jobs Act</i> and other workplace related legislation/regulatory changes on AMO's own operations	Almost all key legislation / regulatory changes are being repealed by the new provincial government in <i>Bill 47</i> and impacts on AMO as an employer will not occur.

# AMO BOARD OF DIRECTORS

\* Members of AMO Executive Committee

## **Jamie McGarvey**

President

Mayor, Town of Parry Sound\*

## **Lynn Dollin**

Past President

Mayor, Town of Innisfil\*

## **Trevor Wilcox**

Secretary-Treasurer

General Manager, Corporate Performance, County of Simcoe\*

## County Caucus

### **Gary McNamara\***

Chair, County Caucus

Warden, County of Essex

### **Justin Bromberg**

Chief of Staff & Communications Manager,  
United Counties of Prescott & Russell

### **Aina DeViet**

Councillor, Middlesex County

### **Andy Letham**

Chair, EOWC

Mayor, City of Kawartha Lakes

### **Paul McQueen**

Councillor, County of Grey

### **Mitch Twolan**

Chair, WOWC

Warden, Bruce County

## Large Urban Caucus

### **Anna Hopkins\***

Chair, Large Urban Caucus

Councillor, City of London

### **Kevin Davis**

Mayor, City of Brantford

### **Dawn Dodge**

Councillor, City of St. Catharines

### **Cathy Downer**

Councillor, City of Guelph

### **Neil Garbe**

City Manager, City of Richmond Hill

### **Cam Guthrie**

Chair LUMCO

Mayor, City of Guelph

### **Chris Holt**

Councillor, City of Windsor

## Northern Caucus

### Wendy Landry\*

Chair, NW Caucus  
NOMA President  
Mayor, Municipality of Shuniah (NW)

### Danny Whalen\*

Chair, NE Caucus  
FONOM President  
Councillor, City of Temiskaming Shores (NE)

### Mac Bain

Councillor, City of North Bay (NE)

### Rick Dumas

Mayor, Town of Marathon (NW)

### Doug Lawrance

Mayor, Municipality of Sioux Lookout (NW)

### Roger Sigouin

Mayor, Town of Hearst (NE)

## Regional and Single Tier Caucus

### Colin Best \*

Interim Chair, Regional Caucus  
Regional Councillor, Region of Halton

### Riley Brockington

City Councillor, City of Ottawa

### John Henry

Regional Chair, Region of Durham

### Robert Foster

Regional Councillor, Region of Niagara

### Robert Grossi

Regional Councillor, Region of York

### Deb McIntosh

Councillor, City of Greater Sudbury

### Karen Redman

Chair, MARCO  
Regional Chair, Region of Waterloo

## Rural Caucus

### Allan Thompson \*

Chair, Rural Caucus; Mayor, Town of Caledon

### Peter Emon

Reeve, Town of Renfrew

### Robin Jones

Mayor, Village of Westport

### Janet O'Neill

Mayor, Municipality of Marmora and Lake

### Bill Vrebosch

Councillor, City of North Bay

### Chris Wray

CAO/Clerk, Township of Johnson

## Small Urban Caucus

### **Graydon Smith\***

Chair, Small Urban Caucus

Chair, OSUM

Mayor, Town of Bracebridge

### **Mason Ainsworth**

Councillor, City of Orillia

### **Jo-Anne Albert**

Mayor, Municipality of Tweed

### **Bob Kwapis**

Councillor, Town of Newmarket

### **Larry McCabe**

CAO, Town of Goderich

### **Hilda MacDonald**

Mayor, Municipality of Leamington

## Association Francaise de Municipalities de l'Ontario (AFMO)

### **Roger Sigouin**

Mayor, Town of Hearst

***AMO's Board of Directors is one of our greatest assets. This group, consisting of leaders in their respective communities, contributes its vision, commitment and energy to advance common interests for the good of all Ontario municipalities.***

## OUR MEMBERS

Township of Adelaide  
Metcalfé

Township of Adjala-  
Tosorontio

Township of  
Admaston/Bromley

Town of Ajax

Township of Alberton

Township of Alfred and  
Plantagenet

Township of Algonquin  
Highlands

Township of  
Alnwick/Haldimand

Township of Amaranth

Town of Amherstburg

Township of Armour

Township of Armstrong

Town of Arnprior

Municipality of Arran-  
Elderslie

Township of Ashfield-  
Colborne-Wawanosh

Township of Asphodel-  
Norwood

Township of Assiginack

Town of Atikokan

Township of Augusta

Town of Aurora

Town of Aylmer

Town of Bancroft

City of Barrie

Municipality of Bayham

Township of Beckwith

City of Belleville

Township of Billings

Township of Black River-  
Matheson

Township of Blandford-  
Blenheim

Town of Blind River

Municipality of Bluewater

Township of Bonfield

Township of Bonnechere  
Valley

Town of Bracebridge

Town of Bradford-West  
Gwillimbury

City of Brampton

County of Brant

City of Brantford

Township of Brethour

Municipality of Brighton

Township of Brock

Municipality of Brockton

City of Brockville

Township of Brooke-  
Alvinston

Town of Bruce Mines

County of Bruce

Township of Brudenell,  
Lyndoch & Raglan

Village of Burk's Falls

City of Burlington

Township of Burpee & Mills

Town of Caledon

Municipality of Callander

Township of Calvin

City of Cambridge

Town of Carleton Place

Township of Carling

Township of Carlow/Mayo

Village of Casselman

Township of Cavan  
Monaghan

Municipality of Central Elgin

Township of Central  
Frontenac

Municipality of Central  
Huron

Municipality of Central  
Manitoulin

Municipality of Centre  
Hastings

Township of Centre  
Wellington

Township of Chapleau

Township of Chapple

Municipality of Charlton  
and Dack

Municipality of Chatham-  
Kent

Township of Chatsworth

Township of Chisholm

City of Clarence-Rockland

Municipality of Clarington

Township of Clearview

Town of Cobalt	County of Elgin	Township of Greater Madawaska
Town of Cobourg	Township of Elizabethtown-Kitley	Town of Greater Napanee
Town of Cochrane	City of Elliot Lake	City of Greater Sudbury
Township of Coleman	Township of Emo	Municipality of Greenstone
Town of Collingwood	Town of Englehart	Municipality of Grey Highlands
Township of Conmee	Town of Erin	County of Grey
City of Cornwall	Town of Espanola	Town of Grimsby
Township of Cramahe	Township of Essa	City of Guelph
Township of Dawn-Euphemia	County of Essex	Township of Guelph/Eramosa
Town of Deep River	Town of Essex	Haldimand County
Town of Deseronto	Township of Evanturel	County of Haliburton
Township of Dorion	Township of Faraday	Town of Halton Hills
Township of Douro-Dummer	Township of Fauquier-Strickland	Region of Halton
Township of Drummond/North Elmsley	Town of Fort Erie	City of Hamilton
City of Dryden	Town of Fort Frances	Township of Hamilton
Township of Dubreuilville	Municipality of French River	Town of Hanover
County of Dufferin	Township of Front of Yonge	Township of Harley
Regional Municipality of Durham	Township of Frontenac Islands	Township of Harris
Municipality of Dutton/Dunwich	County of Frontenac	Municipality of Hastings Highlands
Municipality of Dysart Et Al	Separated Town of Gananoque	County of Hastings
Township of Ear Falls	Township of Georgian Bay	Township of Havelock-Belmont-Methuen
Township of East Ferris	Township of Georgian Bluffs	Town of Hawkesbury
Township of East Garafraxa	Town of Georgina	United Townships of Head, Clara & Maria
Town of East Gwillimbury	Township of Gillies	Town of Hearst
Township of East Hawkesbury	Town of Goderich	Municipality of Highlands East
Township of East Zorra-Tavistock	Municipality of Gordon/Barrie Island	Township of Hilton
Township of Edwardsburgh/Cardinal	Town of Gore Bay	Township of Hornepayne
	Town of Grand Valley	
	Town of Gravenhurst	

Township of Horton	Township of Lanark Highlands	Municipality of Marmora and Lake
Township of Howick	County of Lanark	Township of Matachewan
Town of Huntsville	Township of Larder Lake	Town of Mattawa
Municipality of Huron East	Town of LaSalle	Township of Mattawan
Municipality of Huron Shores	Town of Latchford	Township of Mattice - Val Côté
County of Huron	Town of Laurentian Hills	Municipality of McDougall
Township of Huron-Kinloss	Township of Laurentian Valley	Township of McGarry
Township of Ignace	Municipality of Leamington	Township of McKellar
Town of Ingersoll	Township of Leeds and the Thousand Islands	Township of McNab/Braeside
Town of Innisfil	United Counties of Leeds & Grenville	Municipality of Meaford
Town of Iroquois Falls	County of Lennox & Addington	Township of Melancthon
Township of Johnson	Township of Limerick	Village of Merrickville-Wolford
Township of Joly	Town of Lincoln	Municipality of Middlesex Centre
Town of Kapuskasing	City of London	County of Middlesex
City of Kawartha Lakes	Loyalist Township	Town of Midland
Town of Kearney	Township of Lucan Biddulph	Town of Milton
City of Kenora	Township of Machar	Township of Minden Hills
Township of Killaloe, Hagarty & Richards	Township of Machin	Town of Minto
Municipality of Killarney	Township of Madawaska Valley	City of Mississauga
Municipality of Kincardine	Township of Madoc	Municipality of Mississippi Mills
Township of King	Township of Malahide	Town of Mono
City of Kingston	Township of Manitouwadge	Township of Montague
Town of Kingsville	Township of Mapleton	Township of Moonbeam
Town of Kirkland Lake	Town of Marathon	Town of Moosonee
City of Kitchener	Town of Markham	Township of Morley
Township of La Vallee	Municipality of Markstay-Warren	Municipality of Morris-Turnberry
Township of Laird		Township of Mulmur
Township of Lake of Bays		
Town of Lakeshore		
Municipality of Lambton Shores		
County of Lambton		

Township of Muskoka Lakes	Township of Norwich	City of Pickering
Township of Nairn & Hyman	Township of O'Connor	Township of Pickle Lake
Municipality of Neebing	Town of Oakville	Township of Plummer Additional
Town of New Tecumseth	Village of Oil Springs	Town of Plympton-Wyoming
Town of Newmarket	Municipality of Oliver	Village of Point Edward
City of Niagara Falls	Paipoonge	City of Port Colborne
Region of Niagara	Township of Opasatika	Municipality of Port Hope
Town of Niagara-on-the-Lake	Town of Orangeville	Municipality of Powassan
Township of Nipigon	City of Orillia	Separated Town of Prescott
Township of Nipissing	Township of Oro-Medonte	United Counties of Prescott & Russell
Norfolk County	City of Oshawa	County of Prince Edward
Township of North Algona Wilberforce	Township of Otonabee- South Monaghan	Township of Puslinch
City of North Bay	City of Ottawa	City of Quinte West
Township of North Dumfries	City of Owen Sound	Town of Rainy River
Township of North Dundas	County of Oxford	Township of Ramara
Township of North Frontenac	Township of Papineau- Cameron	Municipality of Red Lake
Township of North Glengarry	Town of Parry Sound	Township of Red Rock
Municipality of North Grenville	Region of Peel	County of Renfrew
Township of North Huron	Township of Pelee	Town of Renfrew
Township of North Kawartha	Town of Pelham	City of Richmond Hill
Municipality of North Middlesex	City of Pembroke	Township of Rideau Lakes
Municipality of North Perth	Town of Penetanguishene	Township of Russell
Township of North Stormont	Township of Perry	Township of Ryerson
Town of Northeastern Manitoulin & The Islands	Township of Perth East	Township of Sables - Spanish Rivers
Municipality of Northern Bruce Peninsula	Township of Perth South	City of Sarnia
County of Northumberland	County of Perth	Town of Saugeen Shores
	Town of Perth	City of Sault Ste. Marie
	Town of Petawawa	Township of Schreiber
	City of Peterborough	Township of Scugog
	County of Peterborough	Township of Seguin
	Town of Petrolia	

Township of Selwyn	Township of St. Clair	Township of Tiny
Township of Severn	Township of St. Joseph	Municipality of Trent Hills
Town of Shelburne	Town of St. Marys	Municipality of Trent Lakes
Municipality of Shuniah	City of St. Thomas	Township of Tudor & Cashel
County of Simcoe	Township of Stirling-Rawdon	Municipality of Tweed
Municipality of Sioux Lookout	Township of Stone Mills	Township of Tyendinaga
Township of Sioux Narrows - Nestor Falls	United Counties of Stormont, Dundas & Glengarry	Township of Uxbridge
Separated Town of Smiths Falls	City of Stratford	Township of Val Rita-Harty
Town of Smooth Rock Falls	Township of Strathroy-Caradoc	City of Vaughan
Township of South Algonquin	Township of Strong	Township of Wainfleet
Town of South Bruce Peninsula	Village of Sundridge	Township of Warwick
Municipality of South Bruce	Tay Valley Township	Town of Wasaga Beach
Township of South Dundas	Township of Tay	City of Waterloo
Township of South Frontenac	Town of Tecumseh	Region of Waterloo
Township of South Glengarry	Township of Tehkummah	Municipality of Wawa
Municipality of South Huron	Municipality of Temagami	City of Welland
Village of South River	City of Temiskaming Shores	Township of Wellesley
Township of South Stormont	Township of Terrace Bay	Township of Wellington North
Township of South-West Oxford	Municipality of Thames Centre	County of Wellington
Township of Southgate	Township of The Archipelago	Municipality of West Elgin
Township of Southwold	Town of The Blue Mountains	Municipality of West Grey
Municipality of Southwest Middlesex	The District of Muskoka	Township of West Lincoln
Town of Spanish	The Nation Municipality	Municipality of West Nipissing
Township of Springwater	Township of The North Shore	Municipality of West Perth
City of St. Catharines	Town of Thessalon	Village of Westport
Municipality of St. Charles	City of Thorold	Town of Whitby
	City of Thunder Bay	Town of Whitchurch-Stouffville
	Town of Tillsonburg	Township of White River
	City of Timmins	Municipality of Whitestone

Township of Whitewater  
Region  
Township of Wilmot

City of Windsor  
Township of Wollaston  
City of Woodstock

Township of Woolwich  
Region of York  
Township of Zorra



# OUR SUPPORTERS

## Associates

Algoma District Services Administration Board

Association Francaise des Municipalities de L'Ontario (AFMO)

Association of Local Public Health Agencies

Bluewater Recycling Association

Conservation Ontario

Credit Valley Conservation

District of Cochrane Social Services Administration Board

District of Parry Sound Social Services Administration Board

District of Timiskaming Social Services Administration Board

Kenora District Services Board

Mamaweswen, The North Shore Tribal Council

Manitoulin-Sudbury District Service Board

Municipal Property Assessment Corporation

Nipissing District Social Services Administration Board

Ontario Building Officials Association

Ontario Non-Profit Housing Association

Ontario Sewer and Watermain Construction Association

Parks and Recreation Ontario

Rainy River District Social Services Administration Board

South Nation River Conversation Authority

Thunder Bay District Social Services Administration Board

## Affiliates

Association of Municipal Managers, Clerks and Treasurers of Ontario

Municipal Engineers Association

Municipal Finance Officers' Association

Ontario Good Roads Association

Ontario Municipal Administrators Association

Ontario Municipal Human Resources Association

Ontario Municipal Social Services Association

Ontario Municipal Tax and Revenue Association

## Corporate & Non-Profit

Ameresco Canada Inc.

CAA South Central Ontario

Canadian Red Cross

Enbridge Gas inc.

ISB Canada

Nuclear Waste Management Organization

Ontario Electronic Stewardship

YMCA of Greater Toronto

## Districts

Manitoulin Municipal Association

Northwestern Ontario Municipal Association

# FINANCIAL STATEMENTS

- Independent Auditors' Report
- Statement of Financial Position
- Statement of Operations
- Statement of Net Changes in Assets
- Statement of Operations

***AMO's main objective is to safeguard its ability to continue as a going concern, so that it can continue to provide the appropriate level of services to the municipalities of Ontario.***



Financial Statements

Association of Municipalities of Ontario

December 31, 2018

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# Independent Auditor's Report

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To the Members of  
Association of Municipalities of Ontario

## Opinion

We have audited the financial statements of Association of Municipalities of Ontario ("AMO"), which comprise the statement of financial position as at December 31, 2018, 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 AMO as at December 31, 2018, and the results of its operations, changes in net assets 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 AMO 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 AMO's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate AMO or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing AMO'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 and 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 AMO'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 AMO'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 AMO 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Toronto, Canada  
Date

Chartered Professional Accountants  
Licensed Public Accountants

# Association of Municipalities of Ontario

## Statement of Financial Position

December 31

2018

2017

### Assets

#### Current

Cash	\$ 1,012,869	\$ 394,237
Accounts receivable (Note 3)	221,142	152,339
Investments (Note 5)	18,958,798	14,814,354
Prepaid expenses	<u>302,740</u>	<u>190,676</u>
	<b>20,495,549</b>	15,551,606
Investment in LAS (Note 6)	<b>100</b>	100
Property and equipment (Note 8)	<u>108,838</u>	<u>188,977</u>
	<b><u>\$ 20,604,487</u></b>	<b><u>\$ 15,740,683</u></b>

### Liabilities

#### Current

Accounts payable and accrued liabilities (Note 9)	\$ 874,471	\$ 911,566
Deferred revenue (Note 10)	33,986	110,626
Deferred contributions – projects (Note 11)	3,489,876	1,232,770
Deferred contributions – other (Note 12)	<u>156,061</u>	<u>101,214</u>
	<b><u>4,554,394</u></b>	<b><u>2,356,176</u></b>

### Net assets

Restricted funds		
Federal gas tax program (Note 13)	12,294,576	10,521,741
General funds - unrestricted		
Investment in LAS	100	100
Other	<u>3,755,417</u>	<u>2,862,666</u>
	<b><u>16,050,093</u></b>	<b><u>13,384,507</u></b>
	<b><u>\$ 20,604,487</u></b>	<b><u>\$ 15,740,683</u></b>

Commitments (Note 17)

On behalf of the Board of Directors

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# Association of Municipalities of Ontario

## Statement of Operations

Year ended December 31

	Restricted funds		General funds		Total 2018	Total 2017
	Federal gas tax program	Restricted	Unrestricted			
<b>Revenue</b>						
Membership fees	\$ -	\$ -	\$ 2,041,294	\$ 2,041,294	\$ 1,975,884	
Conferences and seminars	-	-	2,043,135	2,043,135	2,145,864	
Investment income	-	-	95,408	95,408	56,839	
Administration and occupancy fees (Note 4)	-	-	4,279,021	4,279,021	3,845,867	
Other income	-	-	184,811	184,811	105,523	
Funds received						
Federal gas tax (Note 13)	649,940,923	-	-	649,940,923	631,326,358	
Main Street revitalization	-	23,366,490	-	23,366,490	-	
Ministry of Economic Development and Infrastructure (MEDEI)	-	-	-	-	75,000	
Community School Alliance	-	3,733	-	3,733	6,977	
Continuous Improvement Fund Project (CIF)	-	362,420	-	362,420	371,810	
Waste Diversion Project	-	704,078	-	704,078	1,021,610	
Steward Obligation Project	-	61,682	-	61,682	66,964	
Interest earned on funds received	341,750	108,251	-	450,001	226,995	
	<u>650,282,673</u>	<u>24,606,654</u>	<u>8,643,669</u>	<u>683,532,966</u>	<u>641,225,691</u>	
<b>Expenses</b>						
General - Administration	-	-	826,044	826,044	732,877	
Policy - Administration	1,818,620	273,040	1,582,848	3,674,508	3,619,978	
Corporate services - Administration	-	-	4,086,178	4,086,178	3,826,738	
- Conference, seminars and membership centre	-	-	1,255,848	1,255,848	1,140,922	
	<u>1,818,620</u>	<u>273,040</u>	<u>7,750,918</u>	<u>9,842,578</u>	<u>9,320,515</u>	
Programs						
Funds distributed						
Federal gas tax (Note 13)	646,691,218	-	-	646,691,218	628,224,368	
Main Street revitalization	-	23,201,701	-	23,201,701	-	
Ministry of Economic Development and Infrastructure (MEDEI)	-	-	-	-	75,000	
Community School Alliance	-	3,733	-	3,733	6,977	
Continuous Improvement Fund Project (CIF)	-	362,420	-	362,420	371,810	
Waste Diversion Project	-	704,078	-	704,078	1,021,610	
Steward Obligation Project	-	61,682	-	61,682	66,964	
	<u>646,691,218</u>	<u>24,333,614</u>	<u>-</u>	<u>671,024,832</u>	<u>629,766,729</u>	
	<u>648,509,838</u>	<u>24,606,654</u>	<u>7,750,916</u>	<u>680,867,410</u>	<u>639,087,244</u>	
Excess of revenue over expenses	\$ 1,772,835	\$ -	\$ 892,751	\$ 2,665,586	\$ 2,138,447	

See accompanying notes to the financial statements.

# Association of Municipalities of Ontario

## Statement of Changes in Net Assets

Year ended December 31

	<u>Restricted funds</u> Federal gas tax program	<u>General funds</u> Unrestricted	<b>Total 2018</b>	Total 2017
Net assets, beginning of year	\$ 10,521,741	\$ 2,862,766	<b>\$ 13,384,507</b>	\$ 11,246,060
Excess of revenue over expenses	<u>1,772,835</u>	<u>892,751</u>	<b><u>2,665,586</u></b>	<u>2,138,447</u>
Net assets, end of year	<b><u>\$ 12,294,576</u></b>	<b><u>\$ 3,755,517</u></b>	<b><u>\$ 16,050,093</u></b>	<b><u>\$ 13,384,507</u></b>

	<u>2018</u>	<u>2017</u>
General funds comprise:		
Investment in LAS	\$ 100	\$ 100
Other	<u>3,755,417</u>	<u>2,862,666</u>
	<b><u>\$ 3,755,517</u></b>	<b><u>\$ 2,862,766</u></b>

See accompanying notes to the financial statements.

# Association of Municipalities of Ontario

## Statement of Cash Flows

Year ended December 31

2018

2017

Increase (decrease) in cash

### Operating

Excess of revenue over expenses	<b>\$ 2,665,586</b>	\$ 2,138,447
Item not involving cash		
Amortization	<u>97,110</u>	<u>102,628</u>
	<b>2,762,696</b>	2,241,075

### Net change in non-cash working capital

Accounts receivable	<b>(68,803)</b>	64,968
Prepaid expenses	<b>(112,064)</b>	133,450
Accounts payable and accrued liabilities	<b>(37,095)</b>	67,345
Deferred revenue	<b>(76,640)</b>	67,741
Deferred contributions – projects	<b>2,257,106</b>	117,205
Deferred contributions – other	<u>54,847</u>	<u>30,695</u>

<b>4,780,047</b>	<u>2,722,479</u>
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### Investing

Investments	<b>(4,144,444)</b>	(2,436,289)
Additions to property and equipment	<u>(16,971)</u>	<u>(92,455)</u>

<b>(4,161,415)</b>	<u>(2,528,744)</u>
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Net increase in cash

<b>618,632</b>	193,735
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### Cash

Beginning of year	<u>394,237</u>	<u>200,502</u>
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End of year	<u><b>\$ 1,012,869</b></u>	<u>\$ 394,237</u>
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See accompanying notes to the financial statements.

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# Association of Municipalities of Ontario

## Notes to Financial Statements

December 31, 2018

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### 1. Basis of presentation

Association of Municipalities of Ontario (AMO) is a not-for-profit organization incorporated, without share capital, under Letters Patent on May 11, 1990 under the Corporations Act (Ontario).

The mandate of AMO is to promote, support and enhance strong and effective municipal government in Ontario.

As a not-for-profit organization, AMO is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met.

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### 2. Summary of 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 AMO and applied in these financial statements.

#### Fund accounting

AMO follows fund accounting whereby the accounts of the organization are segregated and presented by fund.

The Restricted funds represent the Federal gas tax and Main Street revitalization programs which include grants which have specific restrictions placed on their use by the funder.

The General funds account for AMO's operations and reports unrestricted and externally restricted resources not included in the Restricted funds.

#### Use of estimates

Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to the excess of revenue over expenses as appropriate in the year they become known. Management also reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment.

#### Investment in subsidiaries

Local Authority Services (LAS) is a wholly owned subsidiary of AMO. The investment in LAS is stated at cost. A financial summary of LAS is presented and disclosed in Note 6.

Municipal Employer Pension Centre of Ontario (MEPCO) is controlled by AMO. A financial summary of MEPCO is presented and disclosed in Note 6.

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# Association of Municipalities of Ontario

## Notes to Financial Statements

December 31, 2018

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### 2. Summary of significant accounting policies (continued)

#### Revenue recognition

AMO follows the restricted fund method for all externally restricted contributions. Under the restricted fund method, externally restricted contributions of the Restricted funds are recognized as revenue in the year of receipt. Externally restricted contributions of the General funds are deferred until the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when the amount is reasonably estimated and collection is reasonably assured.

Membership and administration and occupancy fees are recognized as revenue in the period to which the fees relate. Fees received in advance of the period to which they relate are recorded as deferred revenue in the statement of financial position.

Conferences and seminars revenue is recognized in the period in which the event occurs, or the service is provided.

Investment income is recognized as revenue in the period it is earned.

#### Financial instruments

AMO considers any contract creating a financial asset, liability or equity instrument as a financial instrument.

AMO's financial instruments comprise cash, accounts receivable, investments and accounts payable which are initially recorded at fair value and subsequently measured at amortized cost.

#### Property and equipment

Property and equipment are recorded at cost and are amortized over their estimated useful lives as follows:

Furniture and fixtures	Straight-line	5 years
Computer hardware	Straight-line	4 years

#### Pension

AMO makes contributions on behalf of its employees to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. As the amount AMO is obligated under the Plan is not quantifiable, the accounting, presentation and disclosures that would otherwise be required are not determinable. Due to this fact, AMO follows the standards for a defined contribution plan, the details of which are disclosed in Note 14.

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### 3. Accounts receivable

	<u>2018</u>	<u>2017</u>
Trade	\$ 36,416	\$ 17,846
Due from related parties (Note 4)	<u>184,726</u>	<u>134,493</u>
	<u>\$ 221,142</u>	<u>\$ 152,339</u>

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# Association of Municipalities of Ontario

## Notes to Financial Statements

December 31, 2018

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### 4. Related party transactions

	<u>2018</u>	<u>2017</u>
Amounts due from related parties are as follows:		
LAS	\$ 160,446	\$ 110,103
MEPCO	22,867	23,926
ROMA	1,413	464

These amounts are unsecured, repayable on demand and are non-interest bearing.

During the year, the Association charged administration and occupancy fees to:

	<u>2018</u>	<u>2017</u>
LAS	\$ 705,981	\$ 694,440
MEPCO	481,471	459,872
ROMA	97,061	85,104

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related entities.

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### 5. Investments

	<u>2018</u>	<u>2017</u>
One Investment High Interest Savings Account (HISA) bearing interest at bank prime rate less 1.535%. The average rate of return for 2018 was 2.09%	\$ 18,958,798	\$ 9,643,464
Bank of Montreal Guaranteed Savings Certificate (GIC), bearing interest at 1.80%, due November 8, 2018	-	1,547,887
Bank of Montreal GIC, bearing interest at 1.80%, due November 29, 2018	-	2,619,546
Bank of Montreal GIC, bearing interest at 1.80%, due December 8, 2018	-	1,003,457
	<u>\$ 18,958,798</u>	<u>\$ 14,814,354</u>

# Association of Municipalities of Ontario

## Notes to Financial Statements

December 31, 2018

### 6. Subsidiaries

#### LAS

LAS is a wholly owned subsidiary of AMO. The mandate of LAS is to work with municipalities, their agencies, boards and commissions, as well as other organizations of Ontario's broader public sector to assist them in reducing their expenditures and to increase their levels of non-tax revenues through the principle of joint or cooperative procurement efforts.

LAS has not been consolidated in AMO's financial statements. Financial statements of LAS are available on request. A financial summary of LAS as at December 31, 2018 and 2017 and for the years then ended is as follows:

	<u>2018</u>	<u>2017</u>
Financial position		
Total assets	\$ <b>1,114,075,961</b>	\$ 857,950,847
Total liabilities	<b>1,103,564,405</b>	<u>848,957,347</u>
Fund balances	\$ <b><u>10,511,556</u></b>	\$ <b><u>8,993,500</u></b>
Fund balances comprise:		
General funds (unrestricted)		
Natural gas procurement program	\$ <b>5,887,091</b>	\$ 4,790,020
Electricity program	<b>622,179</b>	522,304
Operating	<b><u>4,002,286</u></b>	<u>3,681,176</u>
	\$ <b><u>10,511,556</u></b>	\$ <b><u>8,993,500</u></b>
Results of operations		
Total revenue	\$ <b>27,719,702</b>	\$ 26,279,113
Total expenses	<b><u>24,701,646</u></b>	<u>23,762,317</u>
Excess of revenue over expenses	\$ <b><u>3,018,056</u></b>	\$ <b><u>2,516,796</u></b>
Rebates	\$ <b><u>(1,500,000)</u></b>	\$ <b><u>(1,506,359)</u></b>
Cash provided by (used in)		
Operating activities	\$ <b>1,495,469</b>	\$ (305,765)
Financing activities	<b>(1,500,000)</b>	(1,506,359)
Investing activities	<b><u>(816,988)</u></b>	<u>(394,666)</u>
Net change in cash	\$ <b><u>(821,519)</u></b>	\$ <b><u>(2,206,790)</u></b>

# Association of Municipalities of Ontario

## Notes to Financial Statements

December 31, 2018

### 6. Subsidiaries (continued)

#### MEPCO

AMO is the only member of MEPCO. The mandate of MEPCO is to fulfill the obligations of the Association and others under the Ontario Municipal Employees Retirement Systems Act, 2006.

MEPCO has not been consolidated in AMO's financial statements. Financial statements of MEPCO are available on request. A financial summary of MEPCO as at December 31, 2018 and 2017 and for the years then ended is as follows:

	<u>2018</u>	<u>2017</u>
Financial position		
Total assets	\$ 920,164	\$ 1,024,329
Total liabilities	<u>43,819</u>	<u>55,459</u>
Net assets	<u>\$ 876,345</u>	<u>\$ 968,870</u>
Net assets comprise:		
Restricted	\$ 817,441	\$ 817,441
Unrestricted	<u>58,904</u>	<u>151,429</u>
	<u>\$ 876,345</u>	<u>\$ 968,870</u>
Results of operations		
Total revenue	\$ 626,419	\$ 617,363
Total expenses	<u>718,944</u>	<u>685,038</u>
Deficiency of expenses over revenue	<u>\$ (92,525)</u>	<u>\$ (67,675)</u>
Cash provided by (used in)		
Operating activities	\$ (103,561)	\$ (57,008)
Investing activities	<u>96,660</u>	<u>74,481</u>
Net change in cash	<u>\$ (6,901)</u>	<u>\$ 17,473</u>

# Association of Municipalities of Ontario

## Notes to Financial Statements

December 31, 2018

### 7. Affiliate

#### ROMA

A number of AMO's Board members serve on ROMA's 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.

ROMA has not been consolidated in AMO's financial statements. Financial statements of ROMA are available on request. A financial summary of ROMA as at December 31, 2018 and 2017 and for the years then ended is as follows:

	<u>2018</u>	<u>2017</u>
Financial position		
Total assets	\$ 981,062	\$ 823,341
Total liabilities	<u>530,849</u>	<u>545,187</u>
Net assets	<u>\$ 450,213</u>	<u>\$ 278,154</u>
Results of operations		
Total revenue	\$ 760,923	\$ 742,412
Total expenses	<u>588,864</u>	<u>544,806</u>
Excess of revenue over expenses	<u>\$ 172,059</u>	<u>\$ 197,606</u>
Cash provided by (used in)		
Operating activities	\$ 144,639	\$ 241,022
Investing activities	<u>(215,932)</u>	<u>(129,878)</u>
Net change in cash	<u>\$ (71,293)</u>	<u>\$ 111,144</u>

### 8. Property and equipment

	<u>2018</u>	<u>2017</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and fixtures	\$ 59,309	\$ 44,369	\$ 14,940	\$ 6,277
Computer hardware	<u>1,275,814</u>	<u>1,181,916</u>	<u>93,898</u>	<u>182,700</u>
	<u>\$ 1,335,123</u>	<u>\$ 1,226,285</u>	<u>\$ 108,838</u>	<u>\$ 188,977</u>

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## Notes to Financial Statements

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### 9. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of \$86,418 (2017 - \$45,476).

### 10. Deferred revenue

	<u>2018</u>	<u>2017</u>
Seminar fees received in advance	<u>\$ 33,986</u>	<u>\$ 110,626</u>

### 11. Deferred contributions – projects

Deferred contributions – projects are amounts received from parties to carry out specific projects. Funds are recognized as revenue in the period in which the related expenses are incurred. If amounts are not expended, amounts may be refundable.

	<u>Balance, beginning of year</u>	<u>Received /reallocated in the year</u>	<u>Disbursed and recognized in the year</u>	<u>Balance, end of year</u>
Community Schools Alliance Continuous Improvement Fund Project (CIF)	\$ 25,878	\$ 12,257	\$ 3,733	\$ 34,402
Waste Diversion Project	199,439	298,252	362,420	135,271
Waste Diversion Project	710,535	835,000	704,078	841,457
Waste Diversion Project Wind-up	200,000	-	-	200,000
Stewardship Obligation Project Main Street Revitalization Fund Project	96,918	-	61,682	35,236
	<u>-</u>	<u>25,718,251</u>	<u>23,474,741</u>	<u>2,243,510</u>
<b>2018</b>	<u>\$ 1,232,770</u>	<u>\$ 26,863,760</u>	<u>\$ 24,606,654</u>	<u>\$ 3,489,876</u>
2017	<u>\$ 1,115,565</u>	<u>\$ 1,659,566</u>	<u>\$ 1,542,361</u>	<u>\$ 1,232,770</u>

# Association of Municipalities of Ontario

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### 12. Deferred contributions – other

Deferred contributions – other represent unspent resources for specific projects which must be approved by the various groups/organizations. Changes in the deferred contributions – other balance are as follows:

	Balance, beginning of year	Received in the year	Disbursed and recognized in the year	Balance, end of year
Regional/Single Tier Caucus	\$ 8,236	\$ -	\$ -	\$ 8,236
Municipal Disaster Relief Fund	54,744	4,740	-	59,484
Training and development	<u>38,234</u>	<u>70,801</u>	<u>20,694</u>	<u>88,341</u>
<b>2018</b>	<b><u>\$ 101,214</u></b>	<b><u>\$ 75,541</u></b>	<b><u>\$ 20,694</u></b>	<b><u>\$ 156,061</u></b>
2017	<u>\$ 70,519</u>	<u>\$ 30,695</u>	<u>\$ -</u>	<u>\$ 101,214</u>

### 13. Restricted funds

#### Federal gas tax program

On June 17, 2005, the Government of Canada, the Province of Ontario, AMO and the City of Toronto signed an agreement setting out new revenue sharing arrangements for federal gas tax revenues for investment in municipal infrastructure. AMO administers the fund on behalf of the federal government for all municipalities except Toronto. The agreement resulted in funds of \$1.453 billion flowing to 444 municipalities from 2005 to 2010. Under the Agreement, AMO received 1% of the amounts received and distributed to administer the funds. In 2009, the agreement was extended with an additional \$2.361 billion of funds flowing to municipalities over the period 2010-2014. As part of the extended agreement, the administration fee was reduced to 0.5% to better reflect the related costs. At December 31, 2013, AMO had accumulated \$20.692 million in surplus administration funds primarily related to 2005 to 2010.

In 2014, the program was made permanent using a five year agreement model. The first agreement under this new approach will have \$3.8 billion flowing to municipalities between 2014-2019 with AMO continuing to receive 0.5% of the amounts received to administer the funds. In 2014, the AMO Board of Directors decided to establish a restricted reserve to hold \$5 million for wind up of the program and to distribute the balance of \$15,692,043 in surplus administration funds accumulated up to December 31, 2013 to all municipalities (except Toronto) on a per capita basis – in keeping with how funds are allocated under the agreement - using the 2006 population data from Statistics Canada.

# Association of Municipalities of Ontario

## Notes to Financial Statements

December 31, 2018

### 14. Capital disclosures

The capital structure of AMO consists of restricted and unrestricted net assets. The unrestricted funds include a provision for a six month allowance should it become necessary to wind up the Association. The Association manages its capital and makes adjustments to it in light of economic conditions and the risk characteristics of the underlying assets.

AMO's main objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide the appropriate level of services to the municipalities of Ontario. AMO is subject to externally imposed capital requirements for the Federal gas tax and Main Street revitalization programs and the restricted funds included in the General funds. These funds are invested and administered according to these requirements.

### 15. Pension agreements

During 2018, AMO contributed \$474,432 (2017 - \$462,294) to OMERS. Of the amount contributed, \$102,101 (2017 - \$109,769) related to employees who worked for AMO's subsidiary, Local Authority Services.

### 16. Allocation of expenses

Salaries and benefits are allocated based on the percentage of time spent by staff for each program. Expenses such as rent and information technology costs, are allocated based on the percentage of the work performed for each program.

Expenses allocated to various funds were as follows:

	<u>Federal gas tax program</u>	<u>Main Street revitalization</u>	<u>CIF</u>	<u>Waste Diversion Project</u>	<u>Stewardship Obligation Project</u>
<b>2018</b>					
Salaries and benefits	\$ 984,185	\$ 62,314	\$ 343,503	\$ 239,025	\$ -
Administration expenses	<u>223,946</u>	-	-	-	-
	<u>\$ 1,208,131</u>	<u>\$ 62,314</u>	<u>\$ 343,503</u>	<u>\$ 239,025</u>	<u>\$ -</u>
<b>2017</b>					
Salaries and benefits	\$ 876,607	\$ -	\$ 346,068	\$ 193,932	\$ 23,264
Administration expenses	<u>219,573</u>	-	-	-	-
	<u>\$ 1,096,180</u>	<u>\$ -</u>	<u>\$ 346,068</u>	<u>\$ 193,932</u>	<u>\$ 23,264</u>

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# Association of Municipalities of Ontario

## Notes to Financial Statements

December 31, 2018

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### 17. Commitments

AMO has entered into agreements to lease equipment and premises. Minimum lease payments, including operating costs and realty taxes for the next three years are as follows:

2019	\$ 521,000
2020	538,000
2021	<u>493,000</u>
	<u>\$ 1,552,000</u>

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### 18. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below.

#### Interest rate risk

Interest rate risk is the risk that the fair value of, 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.

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. AMO's foreign currency purchase and sale transactions and its assets and liabilities that are denominated in foreign currencies are minimal.

#### Liquidity risk

Liquidity risk is the risk that AMO will encounter difficulty in meeting the obligations associated with its financial liabilities. AMO is exposed to this risk mainly in respect of its accounts payable.

AMO reduces exposure to liquidity risk by ensuring that it maintains adequate cash reserves to pay its 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. AMO's main credit risks relate to its accounts receivable. Based on creditworthiness of AMO's counter parties, no allowance for doubtful accounts is required.

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

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