

# 2013-14

AAMDC ANNUAL REPORT



Partners in Advocacy & Business

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**SINCE  
1909**



# AAMDC PRESIDENT'S MESSAGE

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Since 1909, the AAMDC has shared the vision and passion of rural Albertans looking to strengthen their communities, and this year was no different. Together, we have continued to develop programs and implement solutions that positively impact the sustainability of Alberta's rural municipalities.

In the past year, the AAMDC remained active in representing the diverse interests of rural Alberta. We played an integral role in the MGA Review process, prioritized flood recovery and mitigation as part of the Flood Recovery Task Force, assisted in the development of alternative design standards for low-volume bridges and pushed for action from the federal government to require CN and CP to increase their grain shipments, among many other initiatives. Our board continued to have a strong presence on committees and stakeholder groups including the Local Authorities Pension Plan, the Seniors Lodge Advisory Committee and the Alberta Water Council. We are proud of our advocacy efforts and grateful for the support we have received from our members across the province.

Educating Albertans on rural issues continues to be a priority for the AAMDC. This year we released two major reports: *Apples to Apples*, which examines industrial taxation and rural municipal finances, and *Got Gravel!?*, which identifies and analyzes the issues surrounding municipal access to aggregate. We have also produced new communications tools such as our AAMDC Position Statements, which provide a concise overview of the rural municipal perspective on policy issues.

Our Aggregated Business Services continue to grow rapidly. With a strong focus on customer service, our staff has provided quality products, insurance and fuel to our members at great prices. This year we began a partnership with benefits consultant Lane Quinn to better serve our membership. We continue to offer our members training on our products and services including RiskPro insurance sessions, to help members understand and manage their insurance risk, and Michelin Tire training seminars, which provides members with the information and tools to make purchases that meet municipal needs.

Moving forward, the AAMDC will continue to use member direction to strengthen the rural perspective. We value the vision and input of our members and look forward to seeing you around the province and at our bi-annual conventions.

In closing, I would like to thank AAMDC staff and the Board of Directors for their hard work in meeting the advocacy and business needs of rural Alberta. This year I will be stepping down as president of the AAMDC. As president, I have had the honour to meet and form relationships with rural councillors, administrators and staff from throughout the province. The AAMDC has opened up many doors for me and given me great opportunities, which I will never forget. Thank you from the bottom of my heart. I wish you all the best in the future.

A handwritten signature in black ink, which appears to read "Bob Barss".

**Bob Barss**  
President, AAMDC

# EXECUTIVE DIRECTOR'S MESSAGE

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The 2013-14 year was a year of change and impending change. This year, municipal elections were held for the municipalities that the AAMDC serves with many changes made at the local level including a move to Alberta councillor's four-year term. We took the opportunity to support our new members by offering new councillor orientation and developed regional meetings to educate all about the current Municipal Government Act (MGA).

The AAMDC was actively engaged in the government consultation of the Municipal Government Act along with our member municipalities and the general public to identify the issues affecting Alberta's municipalities that the legislation should address. The new fiscal began with AAMDC being appointed to a Municipal MGA Focus Group, with the AUMA & Alberta's two large cities, which investigates issues identified within the MGA with the intent to negotiate legislation changes where needed. We will share with you as this process develops. It appears that significant changes could be forthcoming as the process identifies items to be modernized to improve municipality capacity to provide services.

As it relates to the province, we saw one premier resign and ended the fiscal year intently watching a leadership race. During the year we had two ministers of Municipal Affairs, with the last one stepping down to run for premier. We started our new year with plans to host a leadership forum for our members and preparing ourselves for another new minister of Municipal Affairs and all the cabinet and deputy minister shuffles that go along with a new regime. Amongst all this change, your association will continue to represent your interests and serve your needs with a steady hand. As per this annual report you will see the efforts of your board and staff team made last year in meeting the association's mission – assisting rural municipalities to achieve strong and effective rural government so that you can ensure that we have a strong and viable rural communities. I encourage you to read all the reports from all our divisions and learn more about your association in what I like to refer to as our "yearbook."

This noted, the last change that I want to refer to is the impending change in board leadership with the retirement of President Bob Barss. Bob has served the association well, first as a district director and later as president. Bob was on the board when I was hired to the AAMDC so I have experienced many milestones with him. We have worked with many different premiers, political leaders and board members, experienced the elevation of municipal issues in importance both provincially and federally, taken part in the construction and move to a new association office, and watched the growth of our association as a service provider and advocacy force. Probably the best for me, though, has been the many travels with Bob to all corners of this large province and this country with great discussions about municipal government, the importance of rural, and family. I appreciate the authenticity and integrity of the man and it has been a pleasure to serve with him. I wish him and his wife Susan the best on their new adventures and am pleased that we still get to see him as Reeve of the MD of Wainwright.

**Gerald Rhodes**

Executive Director, CAE, MBA, CLGM





# Rural Roots

Since 1909, our passion has been helping rural municipalities achieve strong, effective local government.







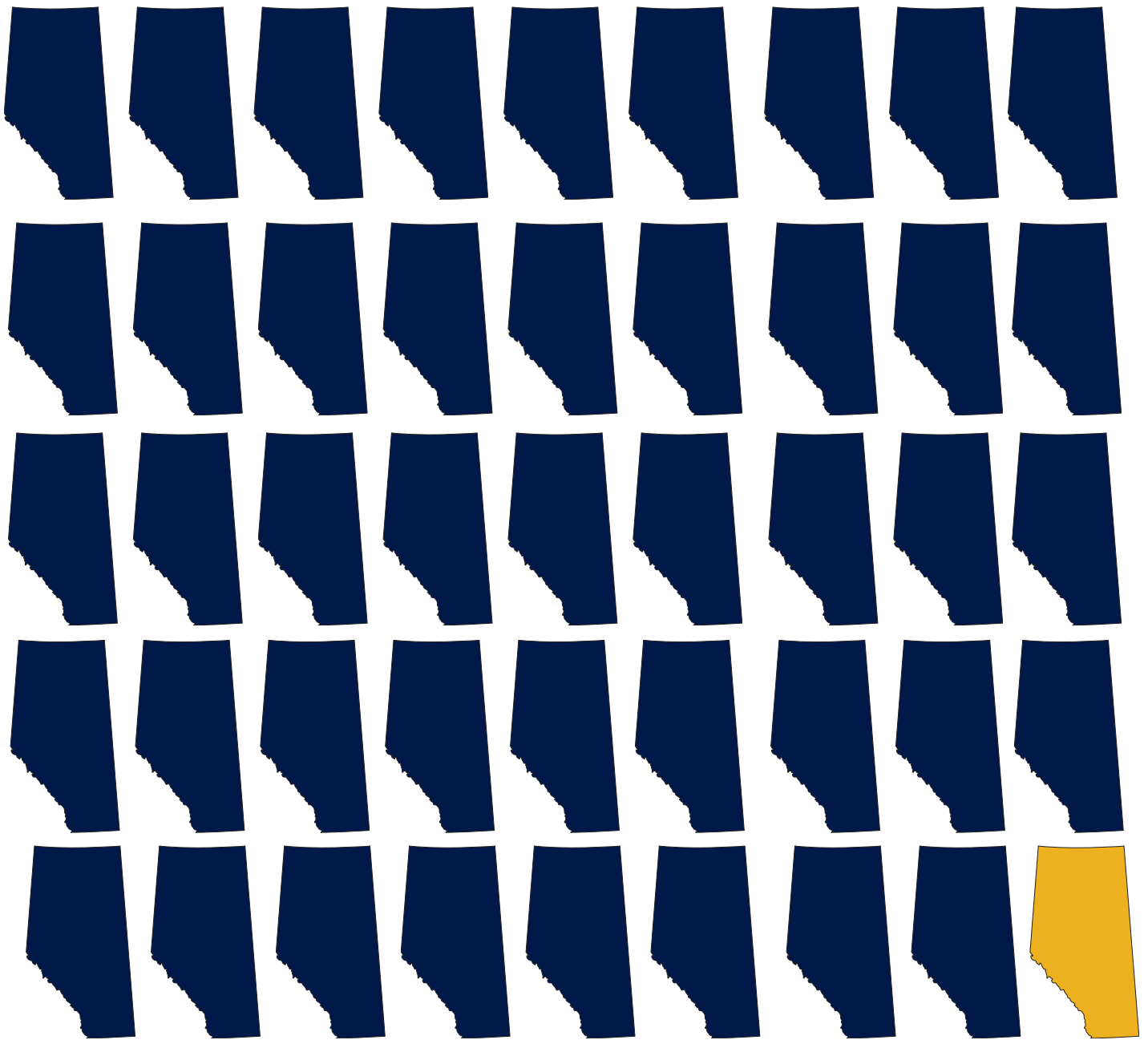
**WHO  
WE  
ARE**

## OUR MISSION

Through advocacy, communication, education, and the provision of aggregated business services, the AAMDC assists rural municipalities in achieving strong and effective local government.

## OUR MEMBERS

The Alberta Association of Municipal Districts and Counties is an independent association comprised of Alberta's 64 incorporated municipal districts and counties, four incorporated specialized municipalities and the Special Areas Board. Since 1909, we have helped rural municipalities achieve strong, effective local government. The AAMDC provides our members with advocacy and aggregated business services including Trade, PFA and Jubilee Insurance.





# AAMDC BOARD OF DIRECTORS

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## **Bob Barss, President**

Bob has served as AAMDC President since 2010 and was previously a AAMDC Director for nine years. He is Reeve for the MD of Wainwright and serves on numerous municipally-focused boards and commissions. Bob is a Director with the Federation of Canadian Municipalities (FCM), Flood Recovery Task Force and the Strategic Transportation Advisory Committee (STAC).



## **Carolyn Kolebaba, Vice-President**

Carolyn has served as AAMDC Vice-President from 2005-2008 and 2010-present. She has served as Reeve of Northern Sunrise County since 2000. Carolyn is the chair of the North West Corridor Development Committee (NCDC) and is on the executive of the Alberta Recycling Management Authority (ARMA), and sits on the Clean Air Strategic Alliance board amongst others.



## **Bob Jones, Director District 1**

Bob has been an AAMDC Director since 2007. He is a Councillor with the County of Warner and has served on numerous boards and committees including the Alberta Fire Chiefs Task Force, the Drought and Excessive Moisture Working Group, and the Used Oil Management Association.



## **Al Kemmere, Director District 2**

Al was elected as an AAMDC Director in 2010. Since 2004, he has been a Councillor for Mountain View County. Al is involved in numerous committees including the Central Alberta Economic Partnership (CAEP) and the NRCB Policy Advisory Group. Al is also the vice-chair of the AAMDC Mayor/Reeves Committee and chair of the AAMDC's Resolutions Committee.

## AAMDC BOARD OF DIRECTORS

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### **John Whaley, Director District 3**

John has served as an AAMDC Director since 2007. He is the Mayor of Leduc County and represents the AAMDC on a number of boards and committees including the Alberta Game Management Advisory Group, Safety Codes Council Coordinating Committee and the Local Authorities Pension Plan Board.



### **Tom Burton, Director District 4**

Tom has served as an AAMDC Director since 2008. He has been on the MD of Greenview council since 2001. Tom is active on committees across the province including the Wildfire Management Advisory Committee, Firesmart: Partners in Protection, and the Foreign Animal Disease Emergency Support Steering Committee.



### **Soren Odegard, Director District 5**

Soren has served as an AAMDC Director since 2010. He was elected Councillor in the County of Two Hills in 2007. Soren currently represents the AAMDC on a number of boards and committees including the Endangered Species Conservation Committee, and the Government-Industry Joint Geophysical Steering Committee.



# Water Works

Water is a big deal in rural Alberta. That's why the AAMDC participates in groups like the Alberta Water Council to help guide policy on water conservation, drinking water and wastewater management, hydraulic fracturing, and other water-related policy issues.





# Community

The AAMDC supports Alberta's communities with our post-secondary scholarships, R.W. Hay Award for excellence in rural administration and through fundraisers for local charities. Our 2014 AAMDC Golf Tournament raised over \$10,000 for the Stollery Children's Hospital.



Pay to the  
order of

Stollery Children Hosp \$10,500.00

Ten Thousand - Five Hundred

xx/100 Dollars

AAMDC Golf Tournament

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Date June 26/14



# AAMDC OUR TEAM

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## **Executive**

Gerald Rhodes // Executive Director

Susan Valentine // Executive Administrative Coordinator

## **Corporate Services**

Janet Tomalty // Director of Corporate Services

Kelsy Propp // Administrative Coordinator

Kaala Brown // Administrative Coordinator

Julie Thibeault // Financial Analyst

Susan Wolfe // Financial Analyst

Barb Brazel // Financial Analyst

Leona Munro // Accounts Payable

Katia Hunt // Receptionist

## **Jubilee Insurance Agencies**

Craig Pettigrew // Manager of Insurance

John Hackwell // Risk Management Advisor

Darcy Hale // Risk Management Advisor

Lindsay Mickanuck // Claims Manager

Tom Hirst // Claims Examiner

Brenda Rutko // Insurance and Risk Advisor

Debbie Depeel // Insurance and Risk Advisor

Holly Neill // Insurance and Risk Advisor

## **Advocacy and Communications**

Kim Heyman // Director of Advocacy and Communications

Cindy Carstairs // Administrative & Convention Coordinator

Shaun Nystrom // Communications and Web Coordinator

Tasha Blumenthal // Policy Analyst

Matt Dow // Policy Analyst

Wyatt Skovron // Policy Analyst

## **Aggregated Business Services**

Duane Gladden // Director of ABS

Miranda Andersen // Administrative Coordinator

Victor Tabamo // Manager of Client Relations

Carolyn Boyle // Manager of Client Relations

## **PFA**

Lorraine Boake // Operations Coordinator

Jasmine Rasuli // Members Services and Invoicing

Kayla Mason // Members Services and Invoicing

Jamie Olson // Members Services and Invoicing



## OUR YEAR

The AAMDC holds conventions, workshops and seminars throughout the year to provide our members with the information and tools they need. Here are some of highlights from the past fiscal year, August 1, 2013 - July 31, 2014. Learn more at [AAMDC.com](http://AAMDC.com)

### Q1

August - October

- AAMDC MGA “What We Heard” Review Consultation Workshops
- PFA and UFA Member Appreciation BBQ Series
- AAMDC Post-Secondary Scholarship
- MGA Review Workshops
- Jubilee Insurance Additional Named Insured (ANI) Seminars
- 2013 Risk Pro Insurance Training Sessions

### Q2

November - January

- AAMDC Fall 2013 Convention
- Fall 2013 Convention New Councillor Orientation
- R.W Hay Award for Rural Administrative Excellence
- MGA Review for New Councillors with Brownlee LLP
- Jubilee Insurance Specialty Workshops

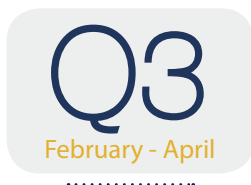
## KEY PROGRAMS AND EVENTS

### AAMDC Spring and Fall Convention

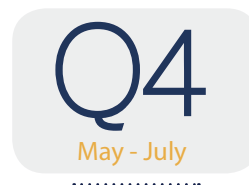
The AAMDC Spring and Fall Conventions took place at the Shaw Conference Centre in Edmonton, Alberta. Delegates from around Alberta came together to hear plenary speakers, participate in breakout sessions and vote on the resolutions that guide the AAMDC’s advocacy efforts.







- AAMDC Spring 2014 Convention
- 2014 AAMDC Trade Show
- AAMDC Provincial Budget Analysis
- Contact Newsletter Re-Design
- AAMDC Long Service Awards
- MGA Review for New Councillors with Brownlee LLP
- AAMDC Advocacy Report Card



- 2014 AAMDC Aggregated Business Golf Tournament in support of the Stollery Children's Hospital
- AAMDC Trade Division Michelin Tire Member Training
- Jubilee Insurance Additional Named Insured (ANI) Seminars
- Jubilee Insurance Specialty Workshops
- PFA/AAMDC Member Support BBQ



## Elected Officials Education Program

The EOEP, a joint initiative of the AAMDC and AUMA, continued to provide municipally elected officials with an opportunity to broaden their knowledge and skills, raising the quality of municipal government and enabling those in office to effectively achieve the goals of their community. Courses are now available online for accessible learning.



# **ADVOCACY AND COMMUNICATIONS**

## AAMDC ADVOCACY UPDATE

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This fiscal year for the Advocacy Department started off with municipal elections which brought new faces, ideas and energy to our Fall 2013 convention. We continue to enjoy meeting and working with the new elected officials from across the province.

The Advocacy Department completed two major studies this year. The first, *Got Gravel? Securing Gravel for Rural Municipalities*, was initiated by resolution 15-12F: Provincial Strategy for Aggregate Resource Management. *Got Gravel?* focused on the aggregate (gravel) supply and allocation practices in our province. Its recommended outcomes address public, government and commercial interests. If implemented, they would allow for better aggregate management in Alberta, specifically the allocation of reserves to accommodate public infrastructure needs. Our other completed study is *Apples to Apples: Rural Municipal Finance in Alberta*. Recently, there have been discussions about redistributing industrial taxes based on population. We wanted to gain an understanding of the effect this redistribution would have on rural municipalities in a way that acknowledges that both expenses and revenues need to be examined when discussing municipal finances. *Apples to Apples* concludes that rural municipalities rely on the taxes they receive for hosting industrial development. If industrial taxation were distributed on a per capita basis, the negative effects would be far reaching, both for municipalities and Alberta's economy. Both *Apples to Apples* and *Got Gravel?* can be found at [www.aamdc.com](http://www.aamdc.com).

In addition to our studies, we continued to advocate on a number of diverse issues. One of our top priorities has been the Municipal Government Act (MGA) review. The AAMDC focused our efforts to ensure the association and members were prepared to participate in the MGA review. We started this process by holding a series of workshops across Alberta to gather the thoughts, concerns and challenges of our members. From these consultations we compiled a "What We Heard" document to highlight the AAMDC's position on many MGA issues facing our members.

We also worked with Brownlee LLP to deliver a series of MGA information workshops to sharpen member knowledge on the existing provisions in the MGA so they could effectively participate in the review process. Throughout this process, our executive director has been active in the Municipal Affairs MGA Advisory Group whose role is to structure the review and the government led consultations. Member feedback provided during our consultations was incorporated into our official MGA review submission, all MGA-related resolutions (active and expired) were reviewed, and the board completed the MGA workbook that was distributed by Municipal Affairs. Our role in the review is extensive and we will continue to be at the table until the process concludes.

It was another busy and fulfilling year, and more changes are ahead as we get underway with the 2014-15 fiscal year. As always I want to thank my staff: Tasha, Wyatt, Matt, Cindy and Shaun, whose hard work and creativity always amaze me. If you see us around at convention please wave us down to say hi.

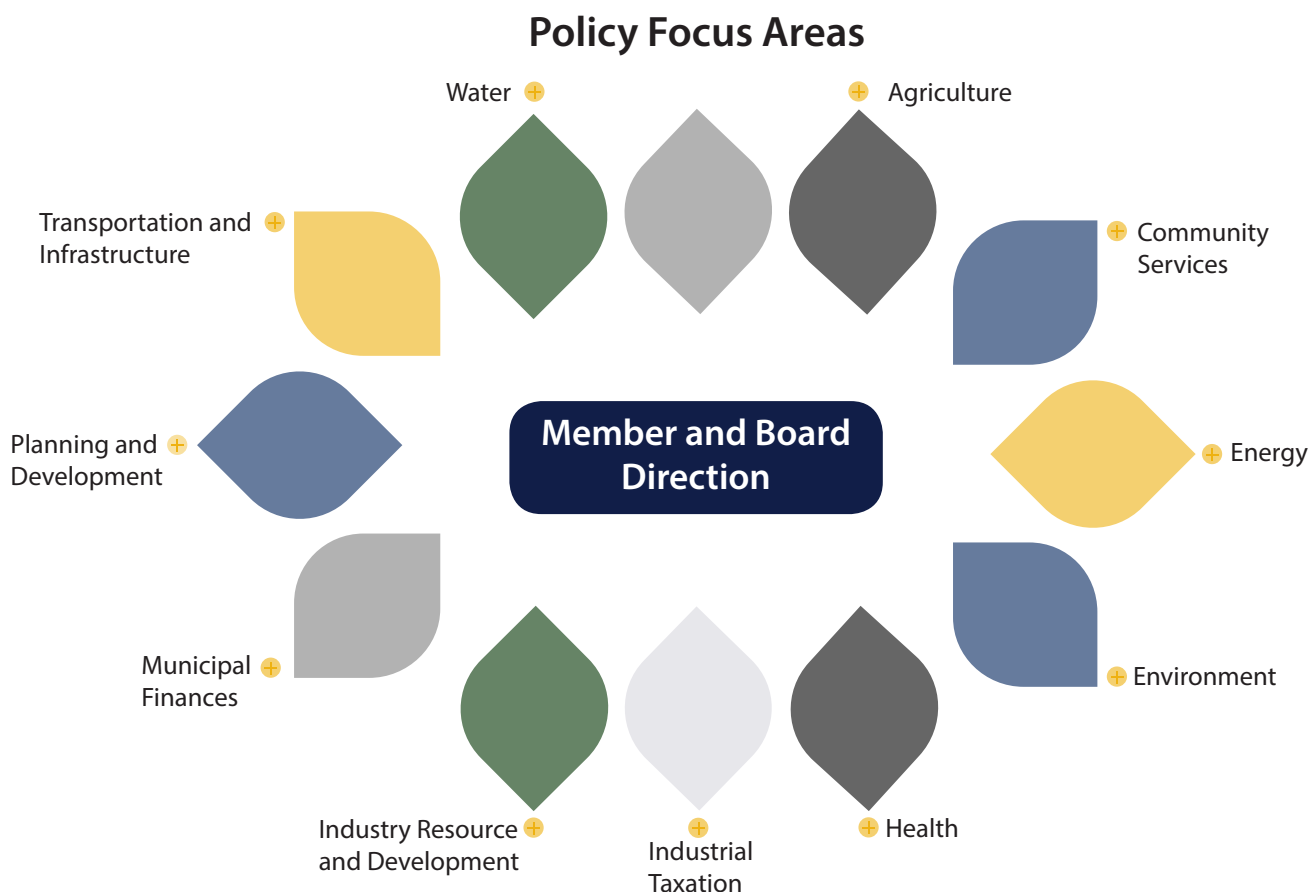


**Kim Heyman**  
Director of Advocacy and Communications



# AAMDC POLICY FOCUS AREAS

The AAMDC takes pride in representing the rural municipal perspective to provincial and federal decision-makers, industry, and other stakeholders. Our policy focus areas are identified through resolutions, board approved emerging issues and feedback we receive at district meetings and member visits. Below you will see a diagram illustrating the focus areas of our advocacy efforts.



To further our advocacy efforts, the AAMDC developed position statements, based on our policy focus areas, which can be found on the advocacy section of our website. Position statements provide short descriptions of how the AAMDC approaches policy issues from a rural municipal perspective.

Position statements may identify concerns that the AAMDC has with how government is handling a policy issue, they may identify an action that government should take to better represent rural municipal interests, or they may highlight an AAMDC effort to advocate on an issue. Position statements are not intended to provide a detailed analysis of a policy issue, but rather to allow for a broad overview of the AAMDC's advocacy priorities as defined by member resolutions and emerging issues.

Position statements also provide the public and media with an understanding of the AAMDC's advocacy priorities. Ideally, AAMDC position statements will spur public interest in the AAMDC's advocacy priorities, and lead to an increase in media interest and create requests from other organizations for information or to collaborate.

## AAMDC KEY PROJECTS

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### Rural Municipal Finance Study

In November 2013, the AAMDC released *Apples to Apples: Rural Municipal Finance in Alberta*, which details the realities of rural municipal finances.

The report dispels the popular assumption that because they typically have higher industrial taxation revenues, rural municipalities are wealthy. Rather, by analyzing both revenues and expenses, the report proves that rural municipalities face the same financial challenges as other municipalities in Alberta. The report has become an important advocacy tool to inform the AAMDC's positions on municipal governance and finance, as well as an educational tool for stakeholders and government.

### Gravel and Aggregate Study

The AAMDC released *Got Gravel? Strategies to Secure Gravel for Rural Municipalities*, which advocates for improved planning and sustainable use of aggregate, which is used to build transportation infrastructure.

Access to aggregate resources has been an increasing challenge for AAMDC members due to rapid development in the Alberta and competing demands for the resource by multiple parties. Both the provincial government and the private sectors require large amounts of aggregate for infrastructure projects, making it difficult for municipalities to access the resource for road development. *Got Gravel?* proposes changes to the policy and regulatory framework relating to aggregate distribution to ensure the resource's sustainability.

### Municipal Government Act (MGA) Review

The AAMDC has been an active partner throughout the Municipal Government Act (MGA) review and has participated on the MGA Review Advisory Committee.

In the spring, the AAMDC worked with Brownlee LLP to conduct a series of educational sessions throughout the province to make sure elected members were up to speed on the existing act in order to participate in an informed manner in the Municipal Affairs' public engagement workshops held later in the year. The AAMDC also submitted a detailed MGA Review Workbook and made a formal submission to the Government of Alberta. As the MGA has a major impact on how municipal governments in Alberta operate, the AAMDC has invested considerable time in making recommendations that are in the best interest of rural municipalities.

### Flood Mitigation

The June 2013 floods in southern Alberta has put flood mitigation into the spotlight for policy and decision makers at all levels of government.

The AAMDC has worked with the provincial government to ensure rural municipalities have adequate protection against future floods. The AAMDC has been working with various government committees regarding policy development for flood and drought mitigation moving forward. Most recently, this included participation on the Alberta Municipal Affairs' Floodway Development Regulation Task Force.

# Rural Voice

The AAMDC is committed to sharing our members' ideas, issues and opinions. In the past year, we have organized events including the Alberta's Opposition Parties Forum and two Ministerial Forums to allow our members to voice rural priorities to government. We also speak directly to ministers about important rural issues as defined by our members.



# AAMDC STAKEHOLDER / COMMITTEE PARTICIPATION

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The AAMDC actively participates in committees and works with stakeholder groups across Alberta. Driven by the direction of our members, the AAMDC brings the rural perspective on issues around Alberta to the forefront. The following are highlights of the AAMDC's stakeholder and committee participation:

## **AAMDC-AUMA Joint Operating Committee**

Staff and board members from both associations meet several times each year to discuss municipal issues that impact both urban and rural municipalities. The meetings are intended to identify areas where joint advocacy initiatives may be able to strengthen the municipal voice.

## **Alberta Energy/ESRD Policy Management Office Enhanced Engagement Framework Discussion Group**

The AAMDC participated in this multi-stakeholder discussion group to provide input on how to enhance the engagement process relating to energy development projects.

## **Alberta Traffic Safety Plan 2020**

The AAMDC participated in a multi-stakeholder consultation to assist in designing the newest province-wide traffic safety plan. The AAMDC emphasized the importance of consistent funding for rural roads and bridges to ensure that they are safe across the province.

## **Alberta Wetland Policy Workshop**

The AAMDC co-hosted and participated in this workshop, intended to discuss how the municipal role in the preservation of wetlands can be strengthened through improved coordination with the provincial government.

## **Alberta Water Conversation**

The AAMDC continued to participate in engaging Albertans about the province's water future. The purpose of the water conversation is to provide Albertans with an opportunity to guide policy on water conservation, drinking water and wastewater management, and hydraulic fracturing as well as other water-related policy issues.

## **Alberta's Opposition Parties**

The AAMDC consulted members of Alberta's opposition parties on the range of different issues and topics that were discussed at the moderated panel of opposition party leaders at the Fall 2013 Convention.

## **Alternative Bridge Design Standards Committee**

The AAMDC collaborated with Alberta Transportation to develop a new set of local road bridge design guidelines that would provide lower cost options designed for low-volume rural bridges. Accompanying low-cost design standards are expected to be completed in late 2014.

## **Alternative and Renewable Energy Framework Roundtable**

The AAMDC participated in a municipal roundtable organized by Alberta Energy. This roundtable was intended to provide municipal perspectives on the role of alternative and renewable energy in Alberta.

## **Fusarium Graminearum**

The AAMDC presented to the Standing Committee on Resource Stewardship on how best to manage Fusarium graminearum, which damages grain and cereal crops.

## **Floodway Development Regulation**

The Government of Alberta formed the Floodway Development Regulation Task Force, which included representation from AAMDC members and staff. The Task Force met multiple times and developed a stakeholder discussion paper which provides further information on the proposed Floodway Development Regulation and has framed the second phase of consultation.



# AAMDC STAKEHOLDER / COMMITTEE PARTICIPATION

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## **High-Speed Rail**

The AAMDC presented to the Government of Alberta's Standing Committee on Alberta's Economic Future about the potential for a high-speed rail corridor in Alberta. The AAMDC's focus was on the impacts that HSR would have on rural land use planning and development.

## **Infrastructure Asset Management Alberta (IAMA)**

The AAMDC continues to be actively involved with Infrastructure and Asset Management Alberta (IAMA) as a member of the organizing committee, whose purpose is to assist municipalities and industry in developing asset management capacity.

## **Land Use Framework**

The AAMDC continues to be involved in the development of Alberta's Land-use plans including the recently approved South Saskatchewan Regional Plan and the North Saskatchewan Regional Plan, which is currently being developed.

## **Off-site Levies**

The AAMDC participates in a multi-stakeholder Off-site Levies Working Group. The purpose of the working group is to find common ground among municipalities and developers on the application and administration of off-site levies.

## **Pension Reform**

The AAMDC presented to the Standing Committee on Alberta's Economic Future on proposed reforms to Alberta's public sector pensions. The AAMDC's submission is available at [aamdc.com](http://aamdc.com).

## **Rural Economic Development Action Plan**

The AAMDC attended a series of roundtables hosted by the Government of Alberta about how rural economic development plans may strengthen economic development in Alberta.

## **School Site Planning**

The AAMDC partnered with other relevant stakeholders to provide the Ministry of Education with recommendations on how to improve the planning of future school sites.

## **Seniors Lodge Program Renewal**

The AAMDC continued to be involved in the Seniors Lodge Program Renewal Advisory Committee. The committee has worked throughout the year to ensure the sustainability of the lodge program and to clearly define the program's purpose and goals.

## **Watershed Management Symposium**

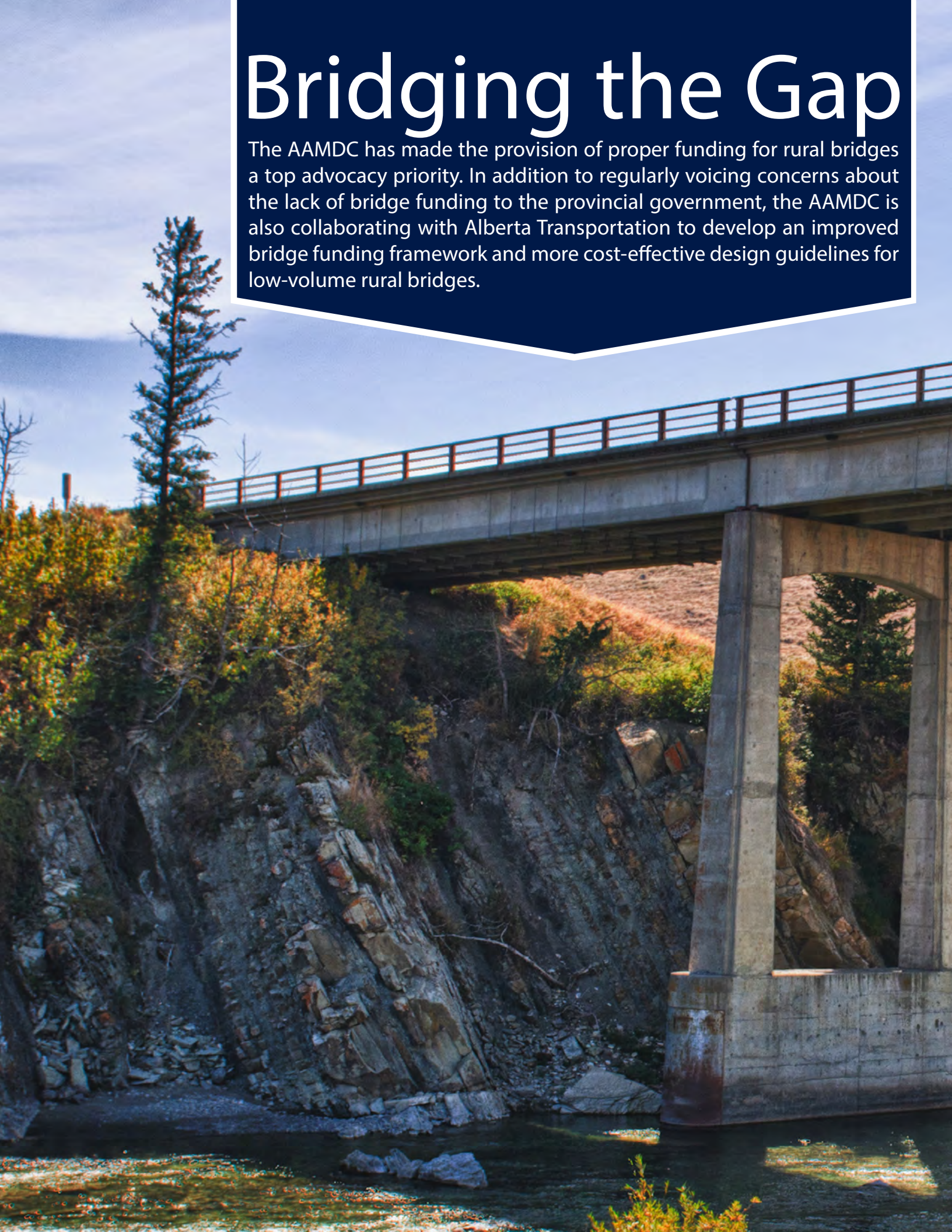
The AAMDC participated in this public symposium, which was intended to share ideas for improving watershed management and flood and drought mitigation. The symposium emphasized ideas about the use of natural mitigation solutions.

## **Well Drilling Equipment Tax**

The AAMDC is active on the multi-stakeholder committee that recommends changes to the Well Drilling Equipment Tax (WDET). A revised WDET is expected in late 2014 or early 2015.

# Bridging the Gap

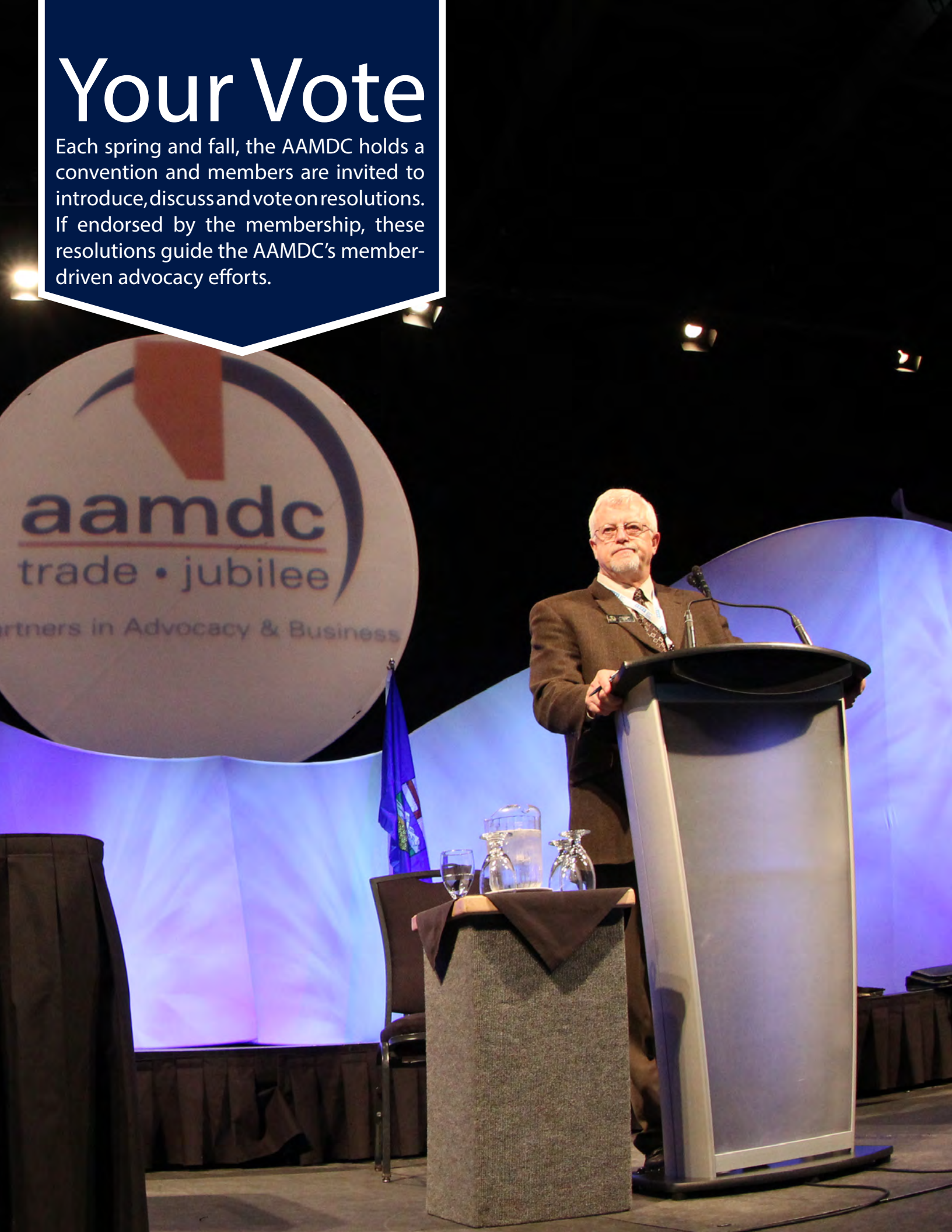
The AAMDC has made the provision of proper funding for rural bridges a top advocacy priority. In addition to regularly voicing concerns about the lack of bridge funding to the provincial government, the AAMDC is also collaborating with Alberta Transportation to develop an improved bridge funding framework and more cost-effective design guidelines for low-volume rural bridges.





# Your Vote

Each spring and fall, the AAMDC holds a convention and members are invited to introduce, discuss and vote on resolutions. If endorsed by the membership, these resolutions guide the AAMDC's member-driven advocacy efforts.





# AAMDC RESOLUTION WINS

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As a member-directed organization, the AAMDC places significant weight on the resolution process. Resolutions identify issues of importance to our members and form a significant portion of our advocacy strategy. Through our advocacy efforts, the AAMDC found success in 2013-14 addressing the following resolutions. Detailed information on all AAMDC resolutions are available online at [aamdc.com](http://aamdc.com).

## 5-13S: Include Rail in Alberta's 20-Year Strategic Capital Plan

The AAMDC accepts the response from the Government of Alberta noting that railways fall under the jurisdiction of the federal government and private industry. The AAMDC is involved in a number of rail-based initiatives through FCM including proximity and crossing issues as well as safety. Updates will be provided through member bulletins as required.

## 3-13F: Got Gravel? Strategies to Secure Gravel for Rural Municipalities

In fall 2013, the AAMDC released its report regarding the management of aggregate resources in Alberta. The AAMDC membership endorsed the recommendations outlined in Got Gravel? and the AAMDC has incorporated the recommendations outlined in the report into current advocacy efforts.

## 3-12S: Continuation of Well Drilling Equipment Tax Regulation

In February 2013, Municipal Affairs undertook a consultative review of the Well Drilling Equipment Tax (WDET). The AAMDC took a lead role in this review through the organization of efforts of the rural municipal representatives and the current regulation has been extended for another year. Work is still being done on this file to ensure the WDET regulation is renewed for a longer duration and the AAMDC will report on advocacy efforts when key developments are made.

## 8-12S: Flood Prone Properties

In 2013, the Government of Alberta announced policy changes as a result of the intense flooding that occurred in Southern Alberta. These changes addressed development in floodways and included the Government of Alberta placing a 'Disaster Recovery Program notice' on the land title of properties that accessed funds through the Disaster Recovery Program. For properties located in the flood fringe, the notice will be removed from the land title once minimum mitigation requirements have been met; however, the notice will remain on the title for properties located in a floodway to inform future owners that no additional funding will be available in future

## 16-12F: Wetland Restoration Program

The Government of Alberta released the Alberta Wetlands Policy in September 2013 which intends to facilitate an informed approach to wetland management. The policy also addresses wetland mitigation and identifies a three stage approach towards the achievement of wetland management goals. The government will be taking a phased approach to policy implementation in the coming years. Also in 2013, the County of Vermillion River entered an agreement with the province to become a Wetland Restoration Agency allowing them the ability to collect compensation funds for restoration work. The municipality must use those funds to replace lost wetlands within its borders.

# AAMDC RESOLUTION WINS

## 18-11F: Fish and Wildlife – Reduction in Services

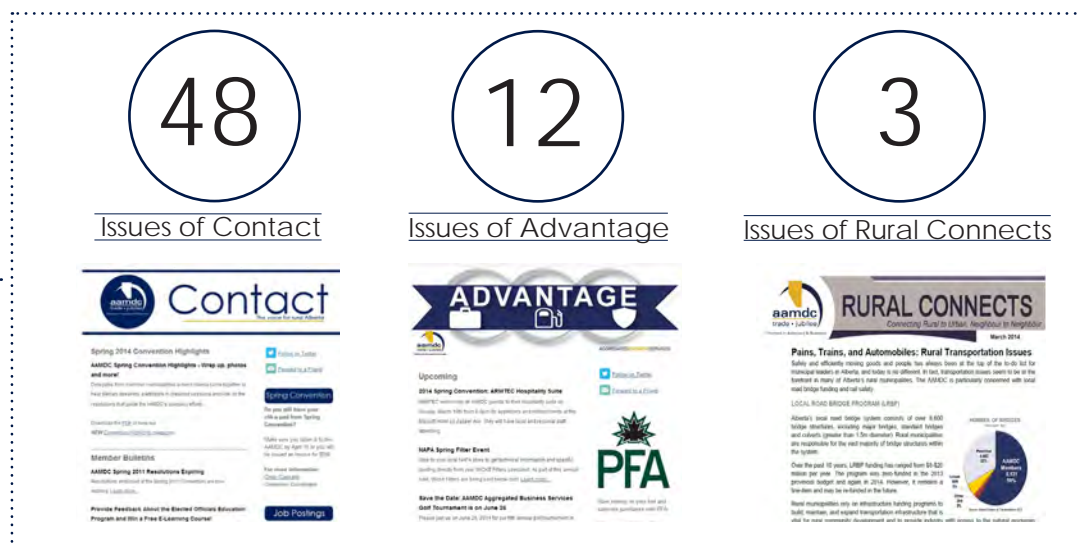
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## ER1-13F: Suspend Bill 28 Pending Further Municipal Consultation through the MGA Review

Following the advocacy efforts of the AAMDC, the provincial government opened Bill 28 to further consultation and a revised Bill 28 was released in November 2013. The revisions include wording explicitly stating that the establishment of Growth Management Boards would be voluntary.

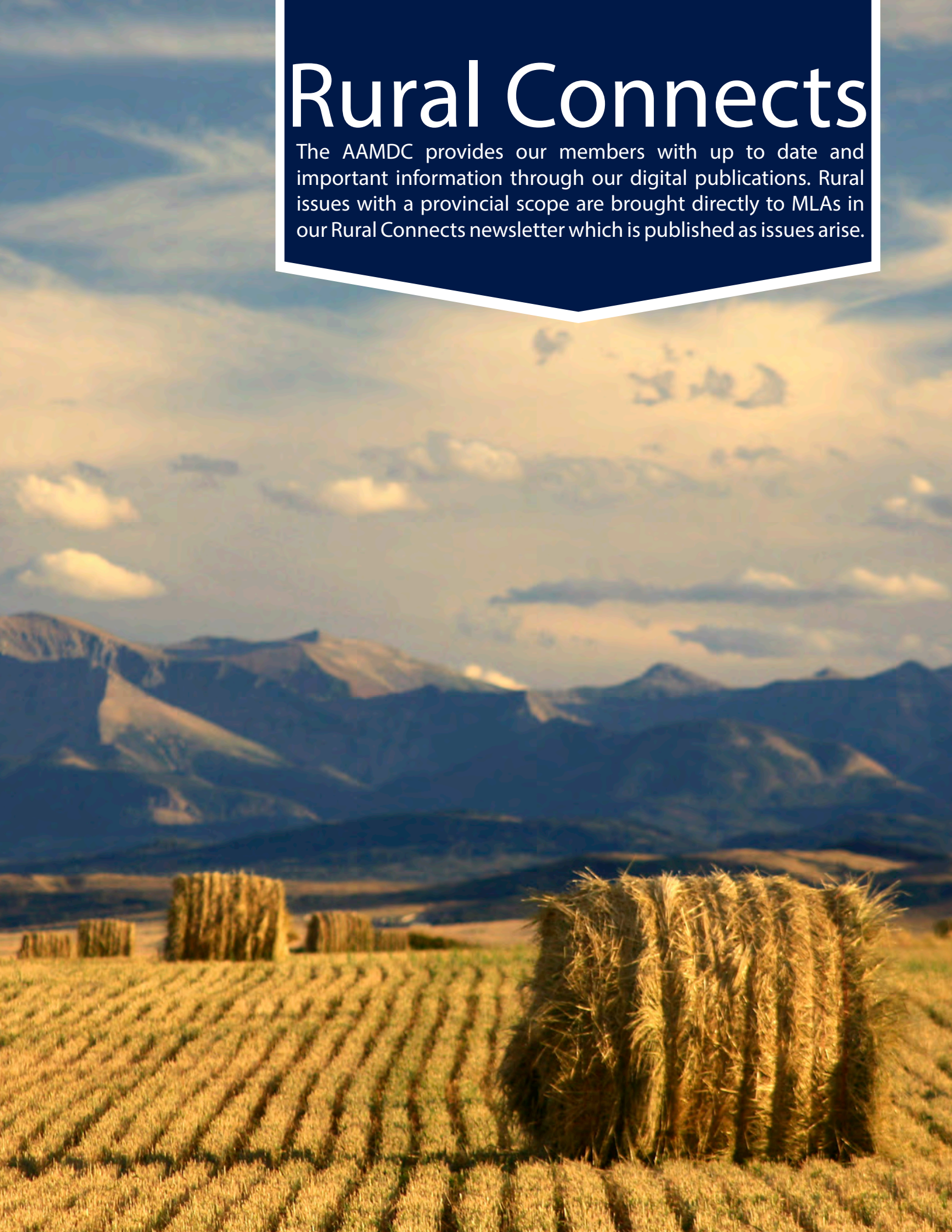
## OUR PUBLICATIONS

The AAMDC provides our members with up to date and important information through our digital publications. Advocacy issues, events and news are highlighted in our Contact newsletter which is published weekly. Aggregated Business Services news including pricing updates, supplier promotions and events are available in our Advantage newsletter which is published monthly. Rural issues with a provincial scope are brought directly to MLAs in our Rural Connects newsletter which is published as issues arise.



# Rural Connects

The AAMDC provides our members with up to date and important information through our digital publications. Rural issues with a provincial scope are brought directly to MLAs in our Rural Connects newsletter which is published as issues arise.





# Our Home

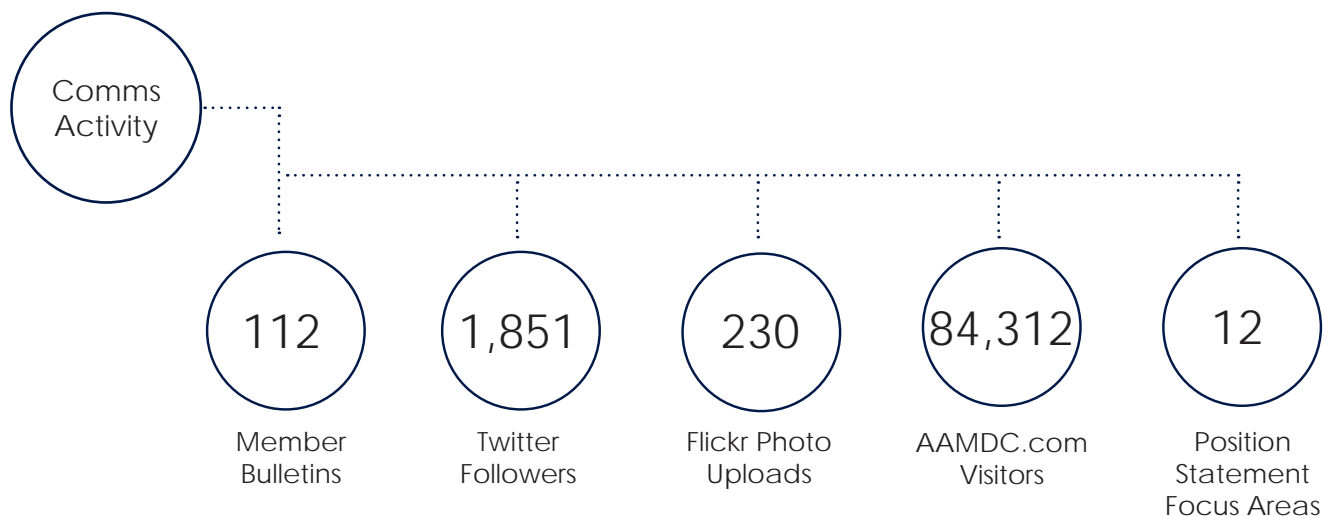
The AAMDC takes pride in representing the rural municipal perspective to provincial and federal decision-makers, industry, and other stakeholders.



# AAMDC COMMUNICATIONS

The AAMDC brought a fresh approach to our communications in 2013-2014. With a focus on simple, clean and clear designs, we developed new print materials, web content and social media targets for our Aggregated Business Services and Advocacy Divisions. This year, we began expanding some of our communications tools and introduced new ones to ensure our members are receiving the most recent information in a format that is easily accessible.

Learn about some of our exciting communications projects below:



## AAMDC Advocacy Position Statements

The AAMDC takes pride in representing the rural municipal perspective to provincial and federal decision-makers, industry, and other stakeholders. To further advocacy efforts, we introduced position statements to the advocacy section of our website that provide short descriptions of how the AAMDC approaches policy issues from a rural municipal perspective.

## AAMDC Advocacy at a Glance

The AAMDC introduced Advocacy at a Glance, a brief recap of our advocacy efforts that will be released on a semi-annual basis. This document combines both text and graphics, and allows the AAMDC to better convey advocacy efforts to our membership. The first edition of Advocacy at a Glance covered the AAMDC's advocacy efforts from October 2013 to April 2014.

## AAMDC on LinkedIn

The AAMDC became a member of LinkedIn this past year. Our LinkedIn page has links to the AAMDC website, includes our logo and offers a description of our mission and members. LinkedIn can be utilized as a marketing, and recruitment tool and will help strengthen our online presence and enhance our social media initiatives.

A decorative pattern of small, light blue dots arranged in a grid-like fashion, centered behind the main text.

# **AGGREGATED BUSINESS SERVICES**

# AGGREGATED BUSINESS SERVICES UPDATE

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The past fiscal year was one of great progress for the AAMDC's Aggregated Business Services (ABS), which is comprised of Jubilee Insurance Agencies Ltd, PFA Canada and the Trade Division. Our team was able to achieve aggressive volume and net income goals while growing our internal capacity to improve our services.

- Jubilee Insurance grew significantly this year due to our favourable coverage and rates. Once again, we were able to stabilize our rates across coverages. This is a point of pride for our team as the floods of 2013, which caused an increase in most rates, had a negative impact on the insurance industry as a whole. Jubilee Insurance's favourable rating structure makes our offering very attractive. However, with growth comes an increased pressure to understand our risks, which is why Jubilee began inspecting its member assets in 2011. This process will be completed in 2015.
- PFA Canada continued its steady revenue growth both within Alberta and across Canada. After completing the PFA operating system in early 2013, we shifted our focus to redesigning our website which is now complete. PFA now has the technology and staffing capacity to continue its growth.
- The Trade Division also had a year of substantial growth. Several initiatives from the past fiscal year including aggregated energy purchasing, a group benefits offering, and our aggregated cellular program have produced solid volumes and a sizable market share. These offerings represent the association's goals for innovation and diversification, but our Trade Division is still focused on our traditional offerings. We continue to host training events and update our product lines to improve our member's experience.

This year we were joined by Craig Pettigrew as our Manager of Insurance, and Darcy Hale as Risk Management Advisor for Jubilee Insurance. Similarly, Victor Tabamo and Carolyn Boyle were added as Managers of Client Relations for our Trade Division. ABS was very fortunate to recruit such exceptional staff, and we have high expectations based on their credentials and experience.

Overall, the ABS had an excellent year, but more importantly we have increased our capacity to improve our future offerings. It is our ongoing goal to manage the most comprehensive and responsive offerings that we can, and member feedback is vital to that process. We are blessed with great and loyal members and it is our goal to reward that loyalty.



**Duane Gladden, MBA**

Director of Aggregated Business Services



# Building Up

The Trade Division aims to expand our member's product knowledge and help in the advancement of our member's procurement processes. Our inaugural Alberta Municipal Tire Training held in Nisku was a great success and we look forward to providing similar opportunities in other product categories.



## AAMDC TRADE DIVISION UPDATE

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Fiscal 2013-14 was a year of tremendous growth and progress for the Trade Division. In partnership with our approved suppliers and our valued membership, we have achieved 14% growth in trade revenue over the previous year. Although we are satisfied with our performance over the past year, we will be taking a fresh approach to our business with two new staff as client relations managers this year: Carolyn Boyle, covering Northern Alberta, and myself Victor Tabamo, covering Southern Alberta. Together we strive to enhance the buying power of our membership in Alberta and across the nation by utilizing these key factors:

- The maturation of aggregate energy, cellular and group benefits programs: These new programs have thrived in providing significant discounts on essential services to our members with exceptional service and implementation. Our partnering suppliers seek to further improve these programs to benefit our membership.
- Strengthened relationships with approved suppliers: The Trade Division works very closely with its suppliers to fortify and develop existing trade programs. Through our initiatives, we have been able to provide lower costs, guarantee stock allocation and ensure quality service to our members and associate members.
- Commitment to customer service: This year we conducted over 200 visits to our members and attended over 30 trade shows and conventions in support of partnering organizations. These face to face interactions keep us informed of our member's needs while also providing our members with a strong understanding of the value and services of the Trade Division.
- Emphasis on educational opportunities: The Trade Division aims to expand our member's product knowledge and help in the advancement of our member's procurement processes. Our inaugural Alberta Municipal Tire Training seminar held in Nisku was a great success and we look forward to providing similar opportunities in other product categories.

Looking forward, the Trade Division strives to develop and improve existing programs to enhance the member experience. We would also like to work closer with partnering associations and communicate with our membership to identify their specific needs. Lastly, we aim to further embrace technology to improve Trade Division operations and provide members with greater access to information.

I would like to thank our suppliers for their enduring support and all of our members in Alberta and across Canada for making this a banner year for the Trade Division. We remain driven to strengthen our services and look forward to working with each of you in the upcoming year.



**Victor Tabamo**

Manager of Client Relations

**We conducted over 200 visits  
to our members this year**



## AAMDC JUBILEE INSURANCE UPDATE

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I am pleased to report that Jubilee Insurance Agencies (JIAL) has met our key goals from 2013-2014. These goals include:

- Increasing ACE usability and its ability to generate our renewal.
- Updating the appraisal program including the valuation of buildings going forward using Corelogics Marshall Swift Boeckh's Commercial Express product.
- Improving our underwriting data to better understand our risk exposure. This keeps premiums low on the reciprocal level, but also at an excess market level as it improves insurer confidence in our operation.

Due to our economic environment, Alberta currently leads the country in the escalation of construction costs. JIAL has worked extremely hard this year to ensure this does not adversely affect our program. Our efforts ensure individual members can feel confident their property will be fully covered in the event of a loss, but also that the program is collecting the proper premiums to commensurate with the risk insured. Taking these precautions guarantees the health of the program as a whole.

We are no longer reacting to the rapid changes of the market, instead, our efforts have positioned us to be in control of our direction. This proactive position translates to smaller valuation increases in the future that are easier to budget for and provides cost certainty for our members.

Our efforts have allowed us to make great strides in the management of our program. With the completion of the appraisal program, we will have confidence that our statement of values are well managed and will only require smaller proactive increases rather than large reactionary increases going forward. We have begun planning an expansion of our staff to prepare for upcoming opportunities and growth. I look forward to building upon our success and maximizing our potential in the coming year.



**Craig Pettigrew, CIP, CRM, CIOP**  
Manager of Insurance

Members can feel confident  
their property will be fully  
covered in the event of a loss





## AAMDC JRIE & GRIE UPDATE

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The past year has been a very productive one, and both JRIE and GRIE have worked very hard to improve the governance and funding structures of their operations. This process has ended with JRIE and GRIE being in the strongest position possible. The reciprocals now have vendor partners and matching outsourcing arrangements that are best suited to the strategic direction of the reciprocals. The reciprocals have the benefit of strong five year strategic plans to guide operations. This is due, in large part, to a stable advisory board that has obtained considerable insurance training.

Specifically, the reciprocals are proud to have completed a series of objectives that enhance the short and long term success of the programs. The highlights of those items are below:

- Refined governance policies, in conjunction with office of the Alberta Superintendent of Insurance.
- Continued strong loss ratios on both reciprocals.
- Increased risk management offerings including physical asset appraisals, water asset inspections, and risk control inspections.
- Conducted vendor reviews on broking services, investing services, adjusting services, appraisal services and management. This resulted in new partners providing the investing and appraisal services.
- Conducted funding reviews for both JRIE and GRIE, to assess the optimal aggregate levels and are establishing strategic plans to achieve adequate aggregate levels for our growing risk.
- Maintained above stated goal minimum capital test (MCT) levels and reserve and guarantee levels. This indicates a continued strong financial position.
- Maintaining stable rates.

JRIE and GRIE are very proud of our achievements, but it is important to note that these successes were not by accident. The reciprocals and Jubilee Insurance Agencies have collectively invested in improving our technology platforms and internal staff capacity. As such, reciprocal subscribers and vendor partners have access to better information, and an overall better offering. The reciprocals continue to grow but are doing so with the perspective that we will attempt to attract the best possible risks, a practice that will benefit all subscribers.

Overall we are exceptionally proud of the improvements and advancements that have been made over the past year and are confident that JRIE and GRIE are well positioned to continue to provide excellent coverage at a very competitive rate.



**Duane Gladden, MBA**  
Principal Attorney, JRIE



**Gerald Rhodes, CLGM, MBA, CAE**  
Principal Attorney, GRIE



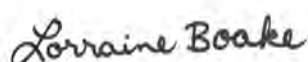
## AAMDC PFA UPDATE

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PFA Canada (PFA) has had an excellent 2013-2014 fiscal year. I am proud to say that our team was able to successfully meet the objectives and goals that were set in the previous year. With a new software program and IT system in place, our team has increased our overall efficiency and made significant achievements including:

- Increase in marketing efforts: PFA introduced new staff responsibilities by increasing the allocation of time dedicated to promoting our products and services to prospective members. Since the implementation of our new marketing responsibilities we have seen an increase in membership; 11 new members have joined PFA in the past six months.
- Members using more suppliers: One way we offer value-added services to our members is by offering the flexibility to have multiple suppliers on their account at no cost. This year, we saw many members take advantage of this feature and add suppliers when it came to purchasing their bulk, cardlock, fleet, and oils and lubricants. This eliminates coverage issues and increases member's savings.
- Increase in volume: PFA is gaining momentum around Canada and the volume of fuel we process is reflecting this growth. In the last fiscal year, we saw a total of 55.6 million litres go through our organization, with 42.8 million litres servicing members in Alberta.
- New online features: This year, we completed the redevelopment for our public website pfacanada.com. Our members now have 24/7 access to price forecasts, price changes, invoices, volume reports, and much more.

We are confident that PFA is positioned to continue our growth in volume while increasing our presence nationwide. We thank all members for their patronage and feedback, and also thank our suppliers for their dedication and commitment to growing rural Alberta.



**Lorraine Boake**

Operations Coordinator, PFA Canada

**We offer the flexibility to have multiple suppliers on your account at no cost**



# EasyAccess

Our new online features bring the pricing information you need to your computer. Access this member service at [pfacanada.com](http://pfacanada.com) which now offers 24/7 access to price forecasts, price changes, invoices, volume reports, and much more.





# CORPORATE SERVICES

# AAMDC CORPORATE SERVICES UPDATE

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The Corporate Services department has enjoyed a year of growth and positive change while overseeing the sub-departments of the four entities within the AAMDC umbrella including the AAMDC's two subsidiaries, PFA Canada and Jubilee Insurance Agencies Ltd (JIAL) and the two insurance reciprocals, Jubilee Reciprocal Insurance Exchange (JRIE) and Genesis Reciprocal Insurance Exchange (GRIE).

Here is a look at some of our accomplishments this year:

- **Information Technology:** The AAMDC strives to be a leader in innovation. This year, the AAMDC added an IT Administrator, Gary Williams. Gary has introduced the continuous upgrading of our systems, security systems, ensured compliance to the relevant IT legislation and confirmed that necessary IT policies are in place.
- **Human Resources and Administration:** The education and professional development of AAMDC staff, board of directors and members is a focus for the AAMDC and we continued to add new opportunities. The provider for the staff benefits was changed to our approved supplier Laine Quinn which offered savings to the association. We have been encouraging members to consider the AAMDC Councillor Pension Plan and the AAMDC has also continued shifting to paperless processes as we improve our systems for our members.
- **Strategic Planning and Policy:** This was the final year of the 2010-2014 Strategic Plan and the Fall 2014 Convention will begin the process for the new plan. Numerous policies were updated and research continues to ensure the governance of the association is strong and policy driven.
- **Facilities:** The AAMDC celebrated the 10th anniversary of the construction of our Nisku location. Our board room is used by a number of members and committees as it has been fitted with new audio and video capabilities this past year. Upkeep of our building included some major repairs to the mechanical systems and an expanded parking lot.
- **Finance and Accounting:** The AAMDC is required to adopt the accounting standards for not-for-profit organizations. PFA Canada and JIAL financial statements are prepared in accordance with the Canadian Accounting Standards for Private Enterprises (ASPE). JRIE and GRIE financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). The financial position of all five entities remains strong and the membership was well served with an AAMDC reward (dividend) declaration of \$250,000. Please contact us for a copy of the detailed financial statements and notes.

The following brief analysis and summary statements show strong financial successes even with the natural disasters many of our members faced this past year.

A stylized, handwritten signature in black ink, appearing to read 'Janet Tomalty'.

**Janet Tomalty, CMA, CAE**  
Director of Corporate Services

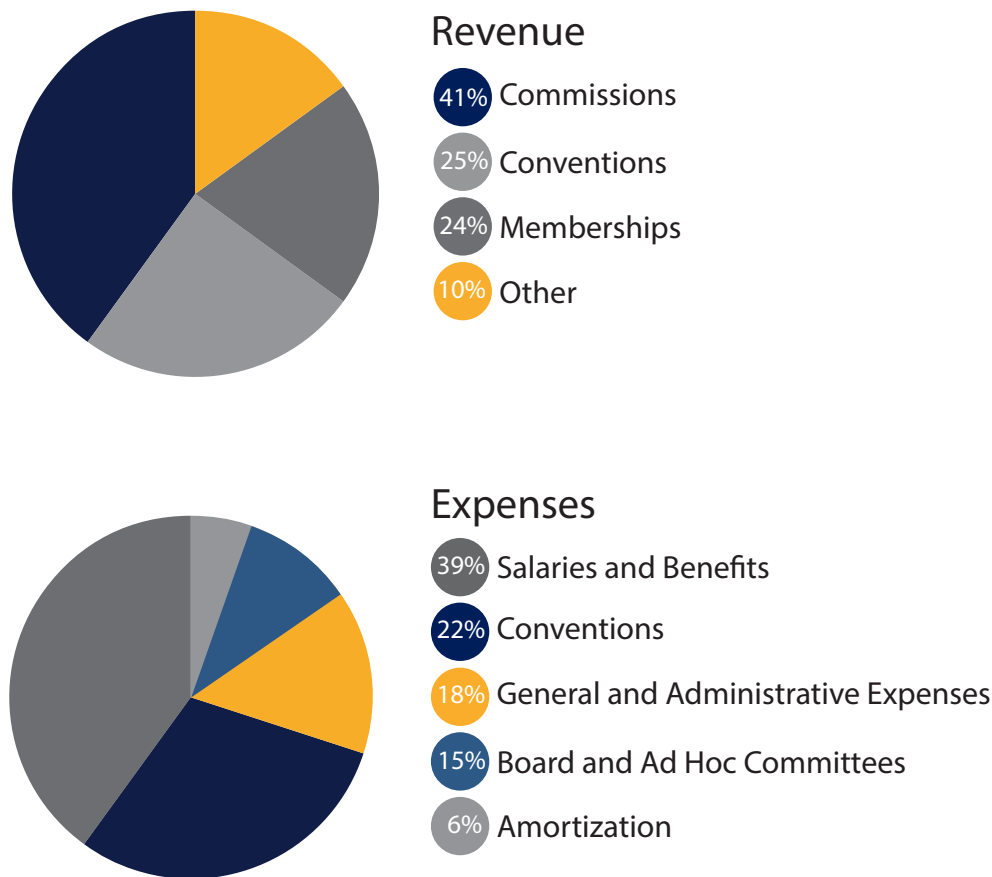


# AAMDC CORPORATE SERVICES UPDATE

AAMDC Fiscal Year Ending July 31, 2014

The Alberta Association of Municipal Districts and Counties (AAMDC) has been in operation since 1909 and generates income from the Trade Division, membership fees, conventions and other miscellaneous sources. The financial statements show an increase in total revenues of 9% with the expenses only increasing by 4% which allowed the association to top up its rainy day contingency funds. The AAMDC has implemented solid business practices to safeguard the value of the association to our members and in continuing the tradition, paid \$250,000 in dividends to our membership.

## Alberta Association of Municipal Districts and Counties Fiscal Year Ending July 31, 2014



In continuing the tradition, the AAMDC paid \$250,000 in dividends to its membership

# AAMDC CORPORATE SERVICES UPDATE

JIAL Fiscal Year Ending July 31, 2014

Jubilee Insurance Agencies Ltd. (JIAL) has been prospering under the solid leadership of the board of directors since 1955 and although net income is lower than last year, it is directly related to the impact of the member-directed unification of the renewal dates of all policies to November 1st. This resulted in a decrease in revenues of 9.5% which was partially offset by an overall total expense decrease of 5%. As the chart shows, Jubilee is rich in intellectual capital which is highlighted by our commitment to member services.

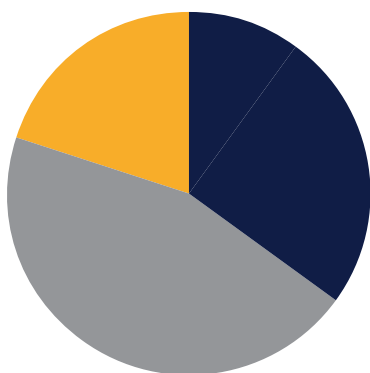
## Jubilee Insurance Agencies Ltd.

Fiscal Year Ending July 31, 2014



### Revenue

- 19% CGL and Umbrella
- 19% Administration Fee
- 19% Other
- 17% Automobile
- 14% Property (JRIE)
- 12% Liability (GRIE)



### Expenses

- 53% Salaries and Benefits
- 27% Insurance Expenses
- 20% General and Administrative Expenses

Jubilee is rich in intellectual capital which we commit to our member services

# Financial Statements

## Management's Responsibility

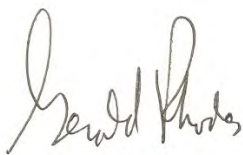
To the Members of the Alberta Association of Municipal Districts & Counties:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.



**Gerald Rhodes, CLGM, MBA, CAE**  
Executive Director



**Janet Tomalty, CMA, CAE**  
Director of Corporate Services



## Report of the Independent Auditor on the Summary Financial Statements

To the Members of the Alberta Association of Municipal Districts & Counties:

The accompanying summary financial statements are comprised of the following:

- The summary statement of financial position as at July 31, 2014 and the summary statement of operations for the year ended for Alberta Association of Municipal Districts & Counties (AAMD&C).
- The summary balance sheet as at July 31, 2014 and the summary statement of earnings for the year then ended for Jubilee Insurance Agencies Ltd. (Jubilee) and Prairie Fuel Advisors (2008) Ltd. (PFA).
- The summary statement of financial position as at December 31, 2013 and the summary statement of comprehensive income (loss) for the year then ended for Jubilee Reciprocal Insurance Exchange (JRIE) and Genesis Reciprocal Insurance Exchange (GRIE).

The summary financial statements noted above are derived from the audited financial statements of the respective entities. We expressed an unmodified audit opinion on those financial statements in our reports dated September 29, 2014 (AAMD&C, Jubilee, and PFA) and February 21, 2014 (GRIE and JRIE). Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not include the statements of changes in net assets, retained earnings, subscribers' surplus, and cash flows as required by the applicable accounting frameworks; Canadian accounting standards for not-for-profit organizations for AAMDC, Canadian accounting standards for private enterprises for Jubilee and PFA, and International Financial Reporting Standards for both the Jubilee and Genesis Reciprocal Insurance Exchange. The summary financial statements also do not contain any note disclosures as required by the applicable accounting frameworks. Reading the summary financial information, therefore, is not a substitute for reading the audited financial statements of the entities.

### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements from the audited financial statements in accordance with Canadian accounting standards for not-for-profit organizations, Canadian accounting standards for private enterprises, International Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of summary financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial information based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, "Engagements to Report on Summary Financial Statements."

### Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Alberta Association of Municipal Districts & Counties, Jubilee Insurance Agency Ltd., Prairie Fuel Advisors (2008) Ltd., Jubilee Reciprocal Insurance Exchange and Genesis Reciprocal Insurance Exchange for the years ended July 31, 2014 and December 31, 2013 are a fair summary of those financial statements, in accordance with Canadian accounting standards for not-for-profit organizations, Canadian accounting standards for private enterprises, and International Financial Reporting Standards.

September 27, 2014  
Edmonton, AB

*MNP LLP*

# Financial Statements

## Alberta Association of Municipal Districts and Counties

### Audited Statement of Financial Position

As at July 31, 2014

	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 489,105	\$ 227,990
Cash - restricted	135,191	191,986
Accounts Receivable	4,934,034	6,040,502
Prepaid Expenses	98,455	90,046
	5,656,785	6,550,524
Property and Equipment	2,855,743	2,865,793
Investment in Jubilee Insurance Agencies Ltd.	1,430,085	1,560,672
Investment in Prairie Fuel Advisors (2008) Ltd.	-	-
	\$ 9,942,613	\$ 10,976,989
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Operating Loan	\$ -	\$ -
Accounts Payable and Accrued Liabilities	3,651,095	4,211,428
Deferred Income		1,010,373
Deferred Grant Revenue	153,621	311,614
Deficiency in Alberta Elected Officials Education Program Corp.	12,316	21,348
	3,817,032	5,554,763
Deficiency in Prairie Fuel Advisors (2008) Ltd.	69,769	101,033
	3,886,801	5,655,796
<b>NET ASSETS</b>		
Net assets invested in property and equipment	2,855,743	2,865,793
Net assets internally restricted for dividend reserve	155,225	245,718
Unrestricted net assets	3,044,844	2,209,682
	6,055,812	5,321,193
	\$ 9,942,613	\$ 10,976,989

## Audited Statement of Operations For the year ended July 31, 2014

	2014	2013
<b>REVENUE</b>		
Commissions	\$ 1,732,570	\$ 1,585,960
Convention registration and tickets	1,056,882	959,336
Memberships	1,007,349	997,294
Grants	179,978	137,715
Rental income	166,000	126,000
Sundry income	38,949	29,847
Service charges	24,812	-
Interest	6,523	21,653
	4,213,063	3,857,805
<b>EXPENSES</b>		
Salaries and Benefits	1,410,947	1,368,422
Convention	809,475	779,268
Board and Ad hoc Committees	535,827	511,295
Amortization	236,199	221,635
Grant expenses	179,978	137,715
Building operations	130,485	104,541
Professional fees	103,657	128,665
Advertising and promotion	57,853	47,641
Automotive	46,562	36,749
Computer	46,114	61,774
Insurance	37,391	41,580
Office Supplies	28,269	20,256
Telephone	12,693	12,048
Memberships & subscriptions	11,031	8,589
Interest	9,530	17,097
Postage	5,143	13,714
	3,661,154	3,510,989
Excess of Revenue over Expenses before other items	551,909	346,816
<b>OTHER INCOME (EXPENSE)</b>		
Dividends	235,941	211,893
Increase in equity in Jubilee Insurance Agencies Ltd.	(14,838)	159,475
Increase in equity in Prairie Fuel Advisors (2008) Ltd.	188,515	147,366
Increase in equity in Alberta Elected Officials Education Program Corporation	9,033	2,548
	418,651	521,282
Excess of Revenue over Expenses	\$ 970,560	\$ 868,098



# Financial Statements

## Jubilee Insurance Agencies Ltd.

### Audited Balance Sheet

As at July 31, 2014

	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,495,508	\$ 359,924
Cash equivalents	-	498,561
Due from AAMDC	88,021	-
Accounts Receivable	157,798	13,204,785
	<u>\$ 1,741,327</u>	<u>\$ 14,063,270</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 164,210	\$ 12,252,236
Deferred Revenue	59,011	250,360
Due to the AAMDC	-	27,733
	<u>223,221</u>	<u>12,530,329</u>
<b>SHAREHOLDER'S EQUITY</b>		
Common Shares	600	600
Retained Earnings	1,517,506	1,532,341
	<u>1,518,106</u>	<u>1,532,941</u>
	<u>\$ 1,741,327</u>	<u>\$ 14,063,270</u>

**Jubilee Insurance Agencies Ltd.**  
**Audited Statement of Earnings**  
**For the year ended July 31, 2014**

	2014	2013
<b>REVENUE</b>		
Commissions	\$ 2,233,448	\$ 2,372,703
Administration Fee	526,416	717,979
Interest Income	60,578	36,103
Risk Module	7,850	-
	2,828,292	3,126,785
<b>EXPENSES</b>		
Salaries and Benefits	1,387,719	1,294,861
Service Fees	572,840	650,000
Computer and Equipment	214,143	129,138
Risk Pro Premium Credit	92,197	256,981
Insurance	58,174	62,628
Rent	54,600	54,600
Professional Fees	37,633	36,193
Risk Pro Program and Seminars	36,445	150,571
Executive (AAMDC Board allocation)	36,000	20,000
Travel	26,688	33,753
Staff Education & Training	25,857	13,215
Office	22,587	22,875
Telephone	12,855	11,709
Dues and Memberships	10,579	1,736
Courier and Postage	8,368	11,488
Bad Debts	6,028	-
Advertising & Promotion	4,155	2,934
Interest and Bank Charges	318	330
Meals and Entertainment	-	2,405
	2,607,186	2,755,417
<b>NET EARNINGS</b>	<b>\$ 221,106</b>	<b>\$ 371,368</b>

# Financial Statements

**Prairie Fuel Advisors (2008) Ltd.**

**Audited Balance Sheet**

**As at July 31, 2014**

	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 118,388	\$ 703,751
Accounts Receivable	3,928,508	3,788,879
Prepaid Expenses	578	496
	4,047,474	4,493,126
Property and Equipment	-	-
Goodwill	732,688	732,688
Due from the AAMDC	566,519	409,266
	\$ 5,346,681	\$ 5,635,080
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 4,616,756	\$ 5,010,324
Due to the AAMDC	86,097	
	4,702,853	5,010,324
Term loan due on demand	147,080	316,523
	4,849,933	5,326,847
<b>SHAREHOLDER'S EQUITY</b>		
Common Shares	100	100
Retained Earnings	496,648	308,133
	496,748	308,233
	\$ 5,346,681	\$ 5,635,080



**Prairie Fuel Advisors (2008) Ltd.**  
**Audited Statement of Earnings**  
**For the year ended July 31, 2014**

	2014	2013
<b>REVENUE</b>		
Commissions	\$ 584,209	\$ 562,742
<b>EXPENSES</b>		
Salaries, wages and benefits	293,099	279,039
Computer	26,615	58,239
Office	19,680	18,187
Professional fees	14,852	13,916
Rent	14,000	14,000
Interest & bank charges	9,979	13,719
Insurance	6,500	6,500
Travel	6,475	5,624
Advertising & promotion	4,494	2,722
Amortization	-	3,430
	395,694	415,376
<b>NET EARNINGS</b>	<b>\$ 188,515</b>	<b>\$ 147,366</b>

# Financial Statements

## JUBILEE RECIPROCAL INSURANCE EXCHANGE

### Audited Statement of Financial Position

As at December 31, 2013

	2013	2012
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,903,347	\$ 1,504,293
Marketable securities	8,584,035	11,797,587
Insurance balances receivable	2,026,493	151,153
Prepaid expenses	7,081	-
Reinsurers' share of unpaid claims and adjustment expenses	-	305,461
	<u>\$ 15,520,956</u>	<u>\$ 13,758,494</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 157,153	\$ 167,349
Premium taxes payable	229,742	153,233
Unearned premium liability	4,786,295	2,538,157
Premium deficiency reserve	226,000	70,000
ANI deductible buy down fund	35,213	-
Unpaid claims and adjustment expenses	5,076,709	5,694,329
	<u>\$ 10,511,112</u>	<u>\$ 8,623,068</u>
<b>SUBSCRIBERS' SURPLUS</b>		
Retained earnings	5,009,844	5,135,426
	<u>\$ 15,520,956</u>	<u>\$ 13,758,494</u>

**JUBILEE RECIPROCAL INSURANCE EXCHANGE****Audited Statement of Comprehensive Income****For the year ended December 31, 2013**

	2013	2012
<b>INCOME</b>		
Premiums written	\$ 7,658,073	\$ 5,107,771
Reinsurance premiums recovered (ceded )	-	250,000
Net premiums written	7,658,073	5,357,771
Change in unearned premiums		
Gross amount	(2,248,138)	(288,074)
Reinsurers' share	-	(475,000)
Premiums earned	5,409,935	4,594,697
Net investment income	70,133	266,072
Other income	21	-
	\$ 5,480,089	\$ 4,860,769
<b>EXPENSES</b>		
Losses incurred	5,070,968	4,330,921
Premium deficiency reserve (recovered)	156,000	(194,917)
Premium tax	229,742	153,233
General and administrative	148,961	157,989
	5,605,671	4,447,226
<b>TOTAL COMPREHENSIVE (LOSS) INCOME</b>	<b>\$ (125,582)</b>	<b>\$ 413,543</b>

# Financial Statements

## GENESIS RECIPROCAL INSURANCE EXCHANGE

### Audited Statement of Financial Position

As at December 31, 2013

	2013	2012
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,644,534	\$ 1,231,627
Marketable securities	24,666,408	25,047,801
Insurance balances receivable	4,449,904	4,000,000
Deferred acquisition costs	68,180	109,938
Prepaid Expenses	7,081	-
	<b>\$ 31,836,107</b>	<b>\$ 30,389,366</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 36,221	\$ 35,952
Premium taxes payable	133,589	131,925
Unearned premium liability	3,710,797	3,664,593
Unpaid claims and adjustment expenses	16,736,225	16,364,205
	<b>20,616,832</b>	<b>20,196,675</b>
<b>SUBSCRIBERS' SURPLUS</b>		
Retained earnings	11,219,275	10,192,691
	<b>\$ 31,836,107</b>	<b>\$ 30,389,366</b>



## GENESIS RECIPROCAL INSURANCE EXCHANGE

### Audited Statement of Comprehensive Income

For the year ended December 31, 2013

	2013	2012
<b>INCOME</b>		
Gross premiums written	\$ 4,452,956	\$ 4,397,511
Increase in unearned premiums	(46,204)	(178,145)
Premiums earned	4,406,752	4,219,366
Net investment income	179,698	442,992
Other income	15,769	-
	\$ 4,602,219	\$ 4,662,358
<b>EXPENSES</b>		
Losses incurred	3,216,683	872,915
Premium tax	175,347	108,435
General and administrative	183,605	175,719
	3,575,635	1,157,069
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 1,026,584</b>	<b>\$ 3,505,289</b>

