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ABOUT THE RMA

The Rural Municipalities of Alberta is an independent association comprised of Alberta's sixty-four 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 by providing our members with advocacy and business services including RMA Trade, RMA Fuel, and RMA Insurance.

In 2018, the Rural Municipalities of Alberta changed its name from the Alberta Association of Municipal Districts and Counties; the legal name

change took place in 2019 through the legislative process of a private members bill. Although our name and brand have changed, we continue to work together with our members to ensure that the rural municipal voice is heard throughout the province.

This year, the RMA worked with members, board, and staff to develop a new strategic direction, guiding the organization until 2023.



STRATEGIC DIRECTION 2019 – 2023

Vision

Strong vibrant rural communities

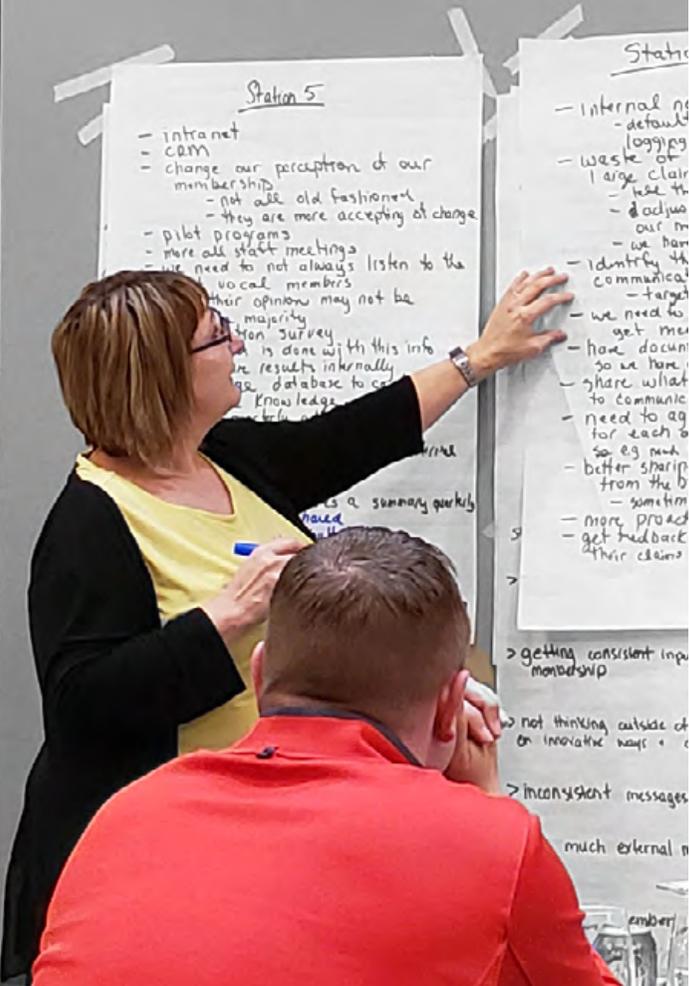
Mission

Strengthening rural Alberta by supporting our members through effective representation and valued services

Values

The RMA is committed to the following values:

- ◆ Leading in a proactive, collaborative, and accountable manner
- ◆ Being transparent and relationship focused
- ◆ Interacting with diplomacy and respect
- ◆ Communicating with intention and authenticity
- ◆ Continuously improving as a learning organization




Insightful Leadership & Effective Internal Operations

Ensuring a strong organization through insightful leadership and effective internal operations



Championing & Advocating on Municipal & Rural Issues

- ♦ Elevating the rural profile by communicating and promoting rural and municipal issues
- ♦ Engaging our members to identify emerging issues and needs



Facilitating Networking & Educational Opportunities

Providing education and sharing best practices



Being a Resource of Credible Knowledge

Conducting research to understand issues and support evidence-based decision making



Cultivating Strategic & Collaborative Partnerships

Increasing RMA's influence by demonstrating the purpose and value of the organization and those that it represents



Delivering Responsive Business Services

Providing procurement expertise and risk management solutions valued by our members to meet their needs

PRESIDENT'S MESSAGE



Al Kemmere

Reflecting on the past year, we have witnessed an increase in activity and concerns for our RMA members.

The ongoing economic challenges being faced by the province of Alberta have been felt by municipalities, as demonstrated by the number of oil and gas operations that have gone bankrupt and others not paying their taxes, leaving significant gaps in anticipated municipal revenue generated from property taxes on these operations. A priority in the last fiscal year was connecting with members to understand the impacts of this challenge, and we appreciate the efforts of our members to inform the development of our advocacy on this issue, both in working with government and industry, and in engaging the media driving to solutions.

The 2019 provincial election was a priority for the RMA this fiscal. Utilizing our Where it All Starts election campaign, we focused on five key areas: the importance of “rural” in a changing province; the need for long-term, predictable municipal funding; infrastructure and transportation in rural Alberta; supporting intermunicipal collaboration in rural Alberta; and environmental stewardship. We focused on these five issues to create awareness of the RMA and rural municipalities as we engaged candidates and informed provincially-elected officials post-election.

Our advocacy efforts also focused on negotiating a framework that would provide long-term municipal funding, after the Municipal Sustainability Initiatives expires. Working with the Alberta Urban Municipalities Association (AUMA), we communicated with the Government of Alberta to demonstrate that municipalities across Alberta need fair and adequate funding to support infrastructure projects that keep our

economy moving and our communities thriving. We did not reach a deal before the writ was dropped for the provincial election, and have now engaged with the new government to continue to work on this in the next fiscal year.

RMA also continues to be actively involved from a federal perspective through representation on the board of the Federation of Canadian Municipalities (FCM). We have actively advocated for a stronger rural presence in the FCM advocacy efforts and participated in the Resource Communities of Canada Coalition that was launched at the FCM conference in Quebec City. This year, energy transmission items have been added into policy at the FCM, fostering national discussion on this important issue.

The RMA experienced continued success through our business services which continue to support our membership through access to quality goods and services, expertise in insurance, trade offerings, and RMA Fuel. This success continues to fund our advocacy efforts, enabling us to bring the rural voice forward.

Your RMA board is actively involved in providing governance for the insurance, trade, and fuel programs in an effort to provide the most cost-effective tools available to municipalities and other not-for-profit organizations.

As we move forward, RMA is looking to build strong interaction with the provincial government in an effort to help them understand the issues and the various roles of Alberta’s rural municipalities.

A handwritten signature in black ink, appearing to read 'Al Kemmere', written in a cursive style.

EXECUTIVE DIRECTOR'S MESSAGE



Gerald Rhodes

Welcome to the RMA Annual Report based on the association's fiscal year – August 1, 2018 to July 31, 2019. This time frame is important to note as it frames the items reported on in this document.

To start, the association had a slight change in governance in the year. Brian Brewin from the MD of Taber joined our board as our District 1 representative. I wish to acknowledge the good work and wisdom of Randy Taylor whom he replaced – thank you Randy. Brian joined our board at a time of much change and challenges amongst our members and got oriented quickly. The board gelled well this last year as they took in the challenges that came before them of which I will speak to.

The 2018 to 2019 year was the most challenging year that our members have seen in decades. The challenges facing the oil and gas sector saw this industry suffer with layoffs and dramatically reduced activities – especially for the shallow gas sector. This resulted in decreased property assessments reducing municipal taxes and capacity to fund services. As well, companies went into receivership causing huge tax losses to municipalities and still other companies chose not to pay taxes. There was an air of financial crisis in the rural municipalities this year like never seen before. Members and the province started looking at ways to deal with both a suffering industry and suffering municipalities.

On a different note, the province had a provincial election replacing an NDP government with a UCP government. Much work was required to inform a very new government with MLAs new to government on rural priorities and issues. With the financial challenges facing the province, we are aware that we will be asked to assist in reducing provincial expenditures in the

upcoming budget cycles. More challenges for rural municipalities therefore lie ahead.

Recognizing the challenges that our members faced, the association worked hard to serve its clients. Within this report is an accounting of the advocacy and business efforts undertaken. Director of External Relations & Advocacy Tasha Blumenthal will speak to our advocacy efforts, while Director of Business Services Duane Gladden and his team will talk to how our business efforts served our members and provide stability to the organization. Lastly, Director of Corporate Services Olly Morrison will share our financial status and how her department supports the organizational efforts.

Please accept the following pages as the RMA's yearbook of the year that was. The organization was busy and achieved much. We look forward to reporting this to you.

A handwritten signature in cursive script that reads "Gerald Rhodes".

Board of Directors



Back row (left to right): Brian Brewin, Tom Burton, Kathy Rooyackers, Paul McLaughlin, Soren Odegard

Front row (left to right): Al Kemmere, Kara Westerlund



BOARD OF DIRECTORS, EXECUTIVE INVOLVEMENT, & COMMITTEE HIGHLIGHTS

Committee participation is a significant part of each RMA board member's responsibilities. The RMA is regularly invited to sit on province-wide committees because we are seen as a credible voice for the rural municipal perspective. The RMA uses our role on committees to support advocacy on behalf of our members, bringing the rural municipal perspective to the table.



Al Kemmere, President

Al was elected as a member of the Board of Directors in 2010 and as President in 2014. Since 2004, he has been a Councillor for Mountain View County. Al is involved in numerous committees including the Alberta Recycling Management Authority, Federation of Canadian Municipalities National Board of Directors, the Rural Alberta Health Professions Action Plan Board of Directors, Western Canadian Municipalities Associations, and the Drought and Excessive Moisture Advocacy Group.

Executive Involvement

- ◆ Agricultural Operation Practices Act Policy Advisory Group
- ◆ Agricultural Plastics Recycling Stakeholder Advisory Committee
- ◆ Alberta Common Ground Alliance Task Force
- ◆ Alberta Recycling Management Authority and Assessment Board
- ◆ Drought and Excessive Moisture Advisory Group
- ◆ Federation of Canadian Municipalities National Board of Directors
- ◆ Genesis Reciprocal Insurance Exchange Board
- ◆ Great West Life Councillor Pension Plan Board of Trustees
- ◆ Rural Health Professions Action Plan Board of Directors
- ◆ Western Canada Municipal Associations

Committee Highlight:

Rural Health Professions Actions Plan Board of Directors

The Rural Health Professions Action Plan (RhPAP) is a collaborative partner and advocate for rural communities seeking greater access to healthcare. RhPAP undertakes advocacy and provides specific services intended to support the recruitment and retention of health professionals to rural communities. The RhPAP Board of Directors is a hybrid of an advisory and policy board, meaning that the board reviews both the strategic objectives of RhPAP and the policy direction being taken by RhPAP to meet those objectives.

As rural communities across Alberta face challenges in recruiting and retaining health professionals, President Kemmere's participation on the RhPAP Board of Directors will ensure that the municipal role in recruitment and retention is considered, and that RMA members are apprised of any recruitment and retention programs or initiatives available to them.



Kara Westerlund, Vice President

Kara was elected as the RMA Vice President in 2017 and she is currently a Councillor with Brazeau County where she has served for eight years. Kara represents the RMA on several committees including the RMA / AUMA Joint Operating Committee, the Alert Civilian Advisory Committee, Western Canadian Municipalities Associations, and the R.W. Hay Award Committee. Kara also serves as the chair of the RMA's Resolutions Committee.

Executive Involvement

- ◆ ALERT Civilian Advisory Committee
- ◆ RMA / AUMA Joint Operating Committee
- ◆ Great West Life Councillor Pension Plan Board of Trustees
- ◆ Growth Management Board Rural Caucus
- ◆ RMA Resolutions Committee
- ◆ R.W. Hay Evaluation Committee
- ◆ Western Canada Municipal Associations

Committee Highlight: RMA Resolutions Committee

As per RMA Bylaws, the RMA Board of Directors establishes a Resolutions Committee that is comprised of one representative from each of the five RMA districts and is chaired by a board representative. The Resolutions Committee administers the RMA Resolutions Process Policy and has an important role in the resolutions sessions held at each of the RMA two annual conventions.

Vice President Westerlund plays an important role in the resolution process by ensuring that resolutions submitted to RMA align with the association's policy direction, and by leading a smooth and effective resolution session twice each year.



Brian Brewin, District 1 Director (Foothills-Little Bow)

Brian was elected to the RMA Board of Directors at the Fall 2018 Convention and is a Councillor with the MD of Taber. Brian represents the RMA on the Alberta Municipal Health and Safety Association Board, the Provincial Agriculture Services Board, the Alberta Water Council Multi-Year Drought Working Group, and the Alberta Game Policy Advisory Committee.

Executive Involvement

- ◆ Alberta Game Policy Advisory Committee
- ◆ Alberta Municipal Health and Safety Association Board of Directors
- ◆ Alberta Riparian Habitat Management Society
- ◆ Alberta Water Council – Multi-Year Drought Working Group
- ◆ Municipal Excellence Awards Review Committee
- ◆ Provincial Agriculture Service Board

Committee Highlight: Provincial Agriculture Service Board

The Provincial Agriculture Service Board (ASB) represents local agriculture service boards across the province, which are established by municipal districts and specialized municipalities. As agriculture is critical to rural Alberta's economic growth and community development, RMA and the Provincial ASB work together to represent the interests of rural Alberta and the agriculture industry. They collaborate to strengthen common advocacy efforts.

Through his participation on the Provincial ASB, Director Brewin facilitates information-sharing and common advocacy approaches on issues of mutual importance to the agriculture industry and rural municipalities.



Paul McLauchlin, District 2 Director (Central)

Paul was elected as the RMA's District 2 Director in 2017 and is also the Reeve of Ponoka County where he has served as either Reeve or Councillor since 2007. Paul represents the RMA on a number of committees and boards including the Agri-Environmental Partnership, the board of the Alberta Water Council, the Community Conserve Advisory Committee, the board of the Foothills Research Institute, and the Endangered Species Conservation Committee.

Executive Involvement

- ◆ Agri-Environmental Partnership of Alberta Advisory Committee
- ◆ Agri-Environmental Partnership of Alberta – Land-Use Framework
- ◆ Alberta Water Council Board of Directors
- ◆ Alberta Water Council – Water for Life Implementation Review Committee 2019 – 2020
- ◆ Endangered Species Conservation Committee
- ◆ Foothills Research Institute Board of Directors
- ◆ Miistakis Institute / Environmental Law Centre Community Conserve Municipal Advisory Committee
- ◆ Wildfire Management Advisory Committee

Committee Highlight: Alberta Water Council Board of Directors

The Alberta Water Council (AWC) is a multi-stakeholder partnership that provides leadership, expertise, and sector knowledge to engage and empower industry, non-governmental organizations, and governments to achieve the outcomes of the Water for Life strategy.

As many RMA members play an important role in managing water-related infrastructure and services, Director McLauchlin's participation on the AWC Board of Directors ensures that the rural municipal perspective is prominent in how the AWC addresses issues and makes decisions.



Kathy Rooyackers, District 3 Director (Pembina River)

Kathy Rooyackers was elected to the RMA board from District 3 in 2017. Kathy has also been on the County of Wetaskiwin's council for nine years, five of which she served as Reeve. At the RMA, Kathy serves on a variety of committees and boards including the Clean Air Strategic Alliance Board of Directors, the Local Authorities Pension Plan Stakeholder Consultation Group, the Cancer SCN Core Committee, the Municipal Excellence Awards Review Committee, and the Safety Codes Council Technical Committee.

Executive Involvement

- ◆ Agricultural Operation Practices Act Policy Advisory Group
- ◆ Agri-Environmental Partnership of Alberta Land-Use Framework Working Group
- ◆ Cancer Strategic Clinical Networks Core Committee
- ◆ Clean Air Strategic Alliance Board of Directors
- ◆ Drought and Excessive Moisture Advisory Group
- ◆ Local Authorities Pension Plan Stakeholder Consultation Group
- ◆ Municipal Excellence Awards Review Committee
- ◆ Provincial Affordable Housing Strategy Steering Committee
- ◆ Safety Codes Council Technical Coordinating Committee
- ◆ Sewage Variance Transition Working Group

Committee Highlight: Cancer Strategic Clinical Networks Core Committee

Alberta Health Services has developed a variety of strategic clinical networks (SCNs) to coordinate physician and clinical leaders and community representatives to develop and implement health improvement strategies across Alberta. The Cancer SCN focuses on strategies to improve access to resources and treatment for cancer.

As healthy communities are critical to rural viability, Director Rooyackers' participation on the Cancer SCN is crucial to ensuring that Alberta Health Services understands the rural perspective on challenges in accessing health services.



Tom Burton, District 4 Director (Northern)

Tom has served as an RMA Director since 2008 and has been a Councillor in the MD of Greenview since 2001. Tom represents the RMA on committees across the province including the Power and Natural Gas Consumers Panel, Safety Codes Council Board, the Forest Research Improvement Association FireSmart Advisory Committee, the Water North Coalition, the Alberta Fire Chiefs Recruitment and Retention Committee, and the AER's Multi-Stakeholder Engagement Advisory Committee.

Executive Involvement:

- ◆ Alberta Blue Cross Nominating Committee
- ◆ Alberta Energy Regulator Multi-Stakeholder Engagement Advisory Committee
- ◆ Alberta Fire Chiefs Association - Recruitment and Retention Task Force
- ◆ Alberta First Responders Radio Communication System Interoperability and Standards Council
- ◆ Forest Products Association of Canada
- ◆ Forest Resource Improvement Association – FireSmart Advisory Committee
- ◆ Peer Network
- ◆ Power and Natural Gas Consumers Panel
- ◆ Safety Codes Council Board of Directors
- ◆ Water North Coalition

Committee Highlight:

Alberta Energy Regulator Multi-Stakeholder Engagement Advisory Committee

The Alberta Energy Regulator Multi-Stakeholder Engagement Advisory Committee (MSEAC) is intended to allow the Alberta Energy Regulator (AER) to regularly gather input from stakeholders regarding regulatory changes, and allow for stakeholders to provide the AER with feedback on various initiatives.

As rural municipalities host much of Alberta's energy development, Director Burton's participation on the MSEAC is an important opportunity for RMA to provide the rural municipal perspective on AER-related regulations and initiatives.



Soren Odegard, District 5 Director (Edmonton East)

Soren has served as an RMA Director since 2010. He was elected Councillor in the County of Two Hills in 2007. Soren represents the RMA on several boards and committees including the Local Authorities Pension Plan, Alberta Data Partnerships, the RMA / AUMA Joint Operating Committee, and the Government-Industry Joint Geophysical Steering Committee.

Executive Involvement

- ◆ Alberta Data Partnership
- ◆ Alberta Water Council – Source Water Protection Working Group
- ◆ RMA / AUMA Joint Operating Committee
- ◆ Government-Industry Joint Geophysical Steering Committee
- ◆ Local Authorities Pension Plan Board of Directors

Committee Highlight:

Local Authorities Pension Plan Board of Directors

The Local Authorities Pension Plan (LAPP) is the pension plan for employees of municipalities and other public-sector organizations. The LAPP Board of Directors provides governance and oversight to the pension plan.

As employers of municipal employees, RMA members have an interest in the LAPP. Director Odegard plays an important role on the LAPP Board of Directors by sharing the input and concerns of rural municipalities.



Gerald Rhodes, Executive Director

Gerald Rhodes joined the RMA as Executive Director in 2003 after a lengthy career in both rural and urban municipal administration. Gerald is responsible for providing strategic advice to the RMA's elected Board of Directors and providing leadership to the organization's Advocacy, Business Services, and Corporate Services divisions. He is involved numerous provincial committees in addition to acting as an advocate for municipal and rural issues to the provincial government. He also has extensive involvement at an administrative level on national issues through the Federation of Canadian Municipalities.

Executive Involvement

- ◆ Elected Officials Education Program (EOEP) Board of Directors
- ◆ Municipal Climate Change Action Centre (MCCAC) Executive Committee
- ◆ Alberta Land Institute Community Advisory Board
- ◆ Alberta Centre for Sustainable Rural Communities Advisory Committee
- ◆ Federation of Canadian Municipalities (FCM) Provincial and Territorials Associations Executive Directors Group
- ◆ National Advanced Certificate in Local Authority Administration (NACLAA) Advisory Committee

Committee Highlight: Elected Officials Education Program (EOEP) Board of Directors

The Elected Officials Education Program (EOEP) is jointly owned and operated by the Rural Municipalities of Alberta (RMA) and the Alberta Urban Municipalities Association (AUMA). The EOEP was formed in 2007 to provide Alberta's municipal elected officials with professional development opportunities and ensure that they are well-positioned to serve their communities effectively. The EOEP recently updated its program roster and now offers seven courses — each developed by subject matter experts and adult learning specialists — to ensure that both course content and delivery methods reflect the fact that elected officials have limited time to dedicate to professional development. All courses are designed to be relevant, timely, interactive, and applicable to elected officials who govern various types and sizes of municipalities.

As Chair of the Board of Directors, Gerald Rhodes works with the Board to set the program's strategic direction to ensure courses are developed and designed to provide the most benefit to municipally elected officials.



STOLLERY CHILDREN'S HOSPITAL FOUNDATION
August 20, 2019
RMA Charity Golf Tournament \$12,370
twelve thousand three hundred seventy dollars
DK



MEET THE RMA TEAM



Executive

- ◆ Gerald Rhodes, Executive Director
- ◆ Susan Valentine, Executive Administrative Coordinator

Corporate Services

- ◆ Olly Morrison, Director of Corporate Services
- ◆ Monica An, Finance & HR Analyst
- ◆ Zeeshan Arain, IT Administrator
- ◆ Leona Munro, Accounting Clerk
- ◆ Kelsy Propp, Project Management Coordinator
- ◆ Julie Thibeault, Financial Analyst
- ◆ Ann Vanderlee, Accounting Clerk
- ◆ Susan Wolfe, Financial Analyst
- ◆ Sarah Wong, Receptionist

External Relations & Advocacy

- ◆ Tasha Blumenthal, Director of External Relations & Advocacy
- ◆ Cindy Carstairs, Administrative & Convention Coordinator
- ◆ Alexandra Mochid, Policy Advisor
- ◆ Warren Noga, Policy Advisor
- ◆ Wyatt Skovron, Senior Policy Advisor

Marketing & Communications

- ◆ Brandon Low, Manager of Marketing & Communications
- ◆ Hilary Darrah, Digital Communications Coordinator
- ◆ Bianca Ho, Visual Communications Designer

Business Services

- ◆ Duane Gladden, Director of Business Services
- ◆ Miranda Andersen, Business Services Coordinator
- ◆ Sheila Ashton, Business Services Coordinator

Business Development

- ◆ Tyler Hannemann, Manager of Business Development
- ◆ Ainsley Murdock, Client Relations Manager
- ◆ Jerad Uytterhagen, Client Relations Manager
- ◆ Ryan Yavis, Client Relations Manager

RMA Insurance

- ◆ Craig Pettigrew, Manager of Insurance
- ◆ Karen Ankerstein, Administrative Support
- ◆ Debbie Depeel, Member Services Representative
- ◆ Kerry Dutton, Member Services Representative
- ◆ Holly Neill, Member Services Representative
- ◆ John Hackwell, Risk Advisor
- ◆ Dayna Johnson, Client Relations Manager
- ◆ Lindsay Mickanuck, Manager of Claims
- ◆ Lacey Barnhard, Junior Claims Examiner
- ◆ Tom Hirst, Senior Claims Examiner
- ◆ Connor Baird, Claims Adjuster

Vendor Relations

- ◆ Dave Dextraze, Manager of Vendor Relations
- ◆ Carmen Chase, Member Services Representative
- ◆ Kayla Mason, Member Services Representative
- ◆ Carolyn Caldwell, Client Relations Manager
- ◆ Nigel Gamester, Vendor Relations Manager

Legal

- ◆ Raman Khabra, Legal Counsel
- ◆ Michele Carroll, Legal Assistant

In 2019, we said goodbye to:

- ◆ Lorraine Boake, Member Services Representative
- ◆ Matt Dow, Policy Analyst
- ◆ Allison Hansen, Policy Analyst
- ◆ Katia Hunt, Accounting Clerk
- ◆ Raymond Boulette, Claims Adjuster
- ◆ Darcy Hale, Risk Advisor



Year at a Glance



QUARTER 1 AUG 2018 – OCT 2018

- ◆ RMA Business Services
Member Appreciation
BBQ Series
- ◆ RMA Member Visits

QUARTER 2 NOV 2018 – JAN 2019

- ◆ RMA Fall 2018 Convention
- ◆ Elections for Board President and
Board Members for Districts 1 and 4
- ◆ R.W. Hay Award for Rural
Administrative Excellence
- ◆ RMA Long Service Awards
- ◆ RMA Advocacy Report Card



QUARTER 3 FEB 2019 – APR 2019

- ◆ 2019 RMA Tradeshow and
Spring Convention
- ◆ Municipal Asset Management
Cohort Formation

QUARTER 4 MAY 2019 – JULY 2019

- ◆ 2019 RMA Business Services Golf
Tournament in support of the
Stollery Children’s Hospital
- ◆ RMA Member Visits





External Relations & Advocacy



*Back row (left to right): Brandon Low, Alex Mochid, Wyatt Skovron, Warren Noga
Front row (left to right): Tasha Blumenthal, Bianca Ho, Cindy Carstairs, Hilary Darrah*



EXTERNAL RELATIONS & ADVOCACY



Tasha Blumenthal

Message from Director of External Relations & Advocacy

In 2018 – 2019, RMA's External Relations & Advocacy division continued working collaboratively with members, stakeholder organizations, and government to engage on priority issues and foster relationships that strengthen and enhance our advocacy efforts.

These efforts include working with members to understand the impacts being felt from unpaid property taxes, and developing positions and engaging media to bring attention to this issue. We've also worked hard to engage with the provincial government on many other items ranging from a rural broadband strategy to red tape reduction, and from environmental approvals to long-term municipal infrastructure funding. If nothing else, our advocacy efforts this year confirmed how many issues impact rural municipalities!

Providing tools, education, and resources to support rural municipalities remains a priority, as demonstrated by our continued work on asset management capacity-building. This year, RMA, the Alberta Urban Municipalities Association (AUMA), and Infrastructure Asset Management Alberta (IAMA) received funding from the Federation of Canadian Municipalities (FCM) to offer an asset management cohort, building capacity through a collaborative sharing environment. This project was so well-received that we hope to receive additional support from FCM to offer more asset management training in the next fiscal year. The External Relations & Advocacy team were also busy working on projects to support change management related to the Municipal Government Act, including

updating course content for the Elected Officials Education Program.

Advancing the rural municipal profile was a focus for the RMA's External Relations & Advocacy team in the 2018 – 2019 fiscal year in anticipation of a provincial election. The Where it All Starts provincial election campaign provided a valuable opportunity to engage members through local advocacy, highlighting the important role that rural Alberta plays in the provincial economy.

Recognizing that effective communications is essential to RMA's advocacy and business services success, the 2018 – 2019 fiscal year included ramping up our communications and marketing team to position our association for continued success, demonstrating the value of RMA and the important role our members play in the provincial economy. Our new communications team have carried the RMA brand forward through improved print materials, creative design and visuals, and increased visibility on social media.

I would like to thank my talented team for the great work they do to support our members and advance our advocacy efforts. Our department values the insight members provide, and we appreciate the opportunity to work with members and elevate the rural municipal profile.

A handwritten signature in black ink that reads "T Blumenthal".



Advocacy



From left to right: Warren Noga, Tasha Blumenthal, Cindy Carstairs, Alex Mochid, Wyatt Skovron



Where it All Starts: RMA's Provincial Election Campaign

For RMA, building strong and collaborative relationships with the Government of Alberta is essential to advocating effectively. That's why preparing an effective election campaign to get our message across to all parties and candidates prior to the 2019 provincial election was a major priority for RMA. Because rural municipalities often do not receive the same level of media coverage as big cities, RMA's goal was to educate candidates on what rural municipalities are and the issues most important to rural Albertans.

RMA's "Where it All Starts" campaign emphasized that Alberta was built on rural resources and rural values, and continues to rely on rural municipalities for its economic development. In addition to raising awareness about the importance of rural Alberta, the "Where it All Starts" campaign included five key priority issues for the 2019 election. Each issue was intended to support candidates in understanding what is most important for rural municipalities. The issues were:

1. Including a "rural lens" on all policy decisions
2. Long-term, predictable municipal funding
3. Supporting inter-municipal collaboration in rural Alberta
4. Infrastructure and transportation in rural Alberta
5. Environmental stewardship

RMA provided all candidates with a candidate guide intended to introduce them to rural Alberta and highlight RMA's priority issues. Candidates also received a "Where it all Starts" licence plate. RMA's election website provided helpful information to candidates, members, and other stakeholders interested in understanding how key election issues would impact rural municipalities.

Provincial Priorities

RMA works with many different organizations but our advocacy priorities typically focus on the Government of Alberta. 2018 – 2019 was an exciting year in provincial politics, with an election, change in government, and a long list of platform commitments, many of which will impact rural municipalities.

For RMA, building a quality relationship with government is based on acting proactively, credibly, and respectfully. Our role is to provide government with the rural municipal lens on policy decision and to ensure that the impacts on rural Alberta are understood.

In 2018 – 2019, RMA attended meetings with the Premier of Alberta, Minister of Municipal Affairs, Minister of Labour, Minister of Agriculture and Forestry, Minister of Transportation, Minister of Indigenous Relations, Minister of Environment and Parks, Minister of Infrastructure, Minister of Service Alberta, Minister of Energy, and Minister of Health, all of which presented excellent opportunities to discuss the rural municipal perspective on issues under the responsibility of each ministry.

In addition to meetings, the RMA has provided submissions or input to the provincial government on a wide range of issues including municipal funding, unpaid property taxes, tax recovery mechanisms, assessment year modifiers, red tape reduction, farm safety, community peace officer training, highway signage, underground infrastructure, air ambulance funding, cannabis facility assessment, municipal road permitting, and many others.





Beyond RMA – The EOEP and MCCAC

In addition to our core advocacy function, RMA is directly involved in the operation of the Elected Officials Education Program (EOEP) and the Municipal Climate Change Action Centre (MCCAC). While the purpose of these two organizations is very different, both demonstrate the varied approaches that RMA takes to supporting its members, in collaboration with key partners.

EOEP

The EOEP provides education and training to elected officials on topics ranging from municipal finance to land use and development approvals to public participation. The EOEP is co-owned and operated by RMA and the Alberta Urban Municipalities Association (AUMA), which ensures that elected officials from all types of municipalities across the province have access to quality professional development.

Originally formed in 2007, the EOEP underwent a significant curriculum redevelopment process in 2017 to ensure that courses were up to date and focused on the issues most important to elected officials. While 2017 – 2018 was a year of change for the EOEP, 2018 – 2019 was a year of refinement. With new courses being offered for the first time, the EOEP focused on making continual minor improvements to new curriculum based on feedback from instructors and elected officials. This process of continuous improvement will ensure that course content and delivery reflect best practices and the preferences of elected officials.

For more information on the EOEP, visit eoep.ca.

MCCAC

The MCCAC is a partnership between the Government of Alberta, RMA, and AUMA. The MCCAC provides funding, technical assistance, and education to support Alberta municipalities in addressing climate change by reducing their greenhouse gas emissions.

2018 – 2019 was an exciting year for the MCCAC thanks to the development of several new programs such as the Alberta Municipal Solar Program, the Community Generation Capacity Building Program, the Electric Vehicles for Municipalities Program, and the Municipal Energy Manager Program.

The MCCAC was also appointed as the Regional Climate Advisory for the Federation of Canadian Municipalities' Partners for Climate Protection program. The MCCAC will support the FCM and the ICLEI-Local Governments for Sustainability (ICLEI Canada) Partners for Climate Protection program by offering municipalities across Alberta free resources and consulting services, one-on-one advice, workshops, and access to technical experts to help reduce greenhouse gas emissions.

For more information on MCCAC, visit mccac.ca.

Committee Participation

Committee participation is at the heart of how RMA advocates. The Government of Alberta and other stakeholders know that if they need the rural municipal perspective on a committee, RMA is the go-to source. As a result, we have highlighted a few of our key committees this year.



FCM Municipal Asset Management Program Technical Working Group

The Federation of Canadian Municipalities (FCM) Municipal Asset Management Program (MAMP) was initially a five-year, \$50 million nation-wide program intended to build asset management capacity among municipalities across Canada. In 2018, the Government of Canada provided an additional \$60 million to MAMP and extended the program for several years.

To ensure MAMP funds are providing maximum value for municipalities, FCM has convened the MAMP Technical Working Group consisting of municipal asset management experts from across Canada. Through participation on the working group, RMA is able to inform the design of asset management funding programs and resources to ensure they meet the needs of Alberta's rural municipalities.

Agriculture Plastics Recycling Group

The Agricultural Plastics Recycling Group (APRG), chaired by RMA President Kemmere has been awarded \$1 million from the Government of Alberta to run a three-year pilot program to collect agricultural plastics for recycling. The APRG hired CleanFarms, a not-for-profit group with experience running similar programs in other provinces. CleanFarms also runs the pesticide container recycling program in Alberta. Twenty collection sites have been announced for the first year of the pilot program, with collection set to begin October 1, 2019. The initial collection sites are distributed throughout the province to help facilitate collection equitably.

Municipal Sustainability Strategy Advisory Committee

The Municipal Sustainability Strategy (MSS) is used by the Government of Alberta to improve the long-term viability of municipalities across the province. The MSS includes methods to measure municipal viability, strategies to identify and mitigate threats to viability, and a process for reviewing the viability of municipalities which may be at risk. The MSS Advisory Committee includes representatives from Alberta Municipal Affairs, RMA, and other municipal associations in Alberta. In addition to discussing current issues relating to the MSS, the committee serves as a forum for discussion on a range of issues that may impact municipal viability, such as municipal funding, training and capacity building, intermunicipal collaboration, legislative and regulatory changes, asset management, and many others.





RMA Conventions

Twice a year, the RMA brings together rural municipal councillors, administrative officials, stakeholder representatives, and government partners to share ideas and build relationships.

The fall 2018 convention featured six workshops on municipal conflict resolution, community services, private sewage variances, taxation and assessment, a provincial election overview, and collaborative economic development with Indigenous communities.

RMA members also endorsed 24 resolutions at the convention on a wide variety of issues such as federal infrastructure funding, rural broadband, municipal tax recovery, wetland restoration, environmental approval process, and more. The convention was highlighted by addresses from the ministers of Municipal Affairs and Justice and Solicitor General, and the Premier of Alberta, Rachel Notley.

The spring 2019 convention featured RMA's annual tradeshow, which featured more than 150 exhibitors displaying a variety of products and services to support municipal operations. The convention also featured addresses from the Minister of Municipal Affairs, the First Vice President of the Federation of Canadian Municipalities, an expert panel on the future of Canada's energy industry, and researcher Vivian Krause. The RMA held workshops on recruiting and retaining health professionals, recycling, crime reduction, the Alberta Ombudsman, wetlands and water, and unpaid linear property taxes. Members endorsed 12 resolutions on topics such as support for the energy industry, agricultural mental health services, solar power reclamation, and others.

RMA conventions are excellent opportunities for our members to work with each other, network, and learn about how they can improve their communities. We always look forward to bringing rural Alberta's leaders together and we're excited for another great year of conventions. We hope to see you there!

Advocacy Highlights

RMA's advocacy efforts take many forms. While official submissions, committee work, and formal meetings with government and other stakeholders are often the most visible advocacy efforts, RMA undertakes many different types of projects to support members through education, capacity-building, and other means. The highlights below give a glimpse into some of RMA's traditional advocacy efforts from the past year as well as other ways we support members.



Resource Communities of Canada Coalition

The responsible development and export of energy resources is critical to strong rural community and to Canada's economic growth. Despite this, construction of pipelines to transport Alberta's oil and gas resources has been a huge challenge in recent years and is a contentious issue across Canada.

In 2018 – 2019, RMA teamed up with municipal associations from Alberta and Saskatchewan, as well as several industry associations to form the Resource Communities of Canada Coalition (RCCC) to ensure municipal perspectives are being heard on issues impacting resource development. The RCCC focused on developing advocacy and education materials to share with municipal decision-makers from across Canada at the Federation of Canadian Municipalities conference in Quebec City, and on developing a coordinated advocacy approach to provide input on Bill C-69 and the importance of a streamlined and fair review process for major pipeline projects.

RCCC was successful in raising awareness and encouraging discussion among municipal leaders from across Canada, and RMA looks forward to continuing to work with municipal and industry partners on this issue in future years.

Municipal Infrastructure Funding Consultations

A variety of provincial grants exist to support municipal infrastructure construction and maintenance. The most important for many municipalities is the Municipal Sustainability Initiative (MSI), which provides annual funding to municipalities to use for local priorities within a wide range of eligible project types. With MSI set to expire in 2022, the Government of Alberta reached out to RMA and the Alberta Urban Municipalities Association to consult on the development of a new legislated long-term infrastructure funding program to replace MSI and provide municipalities with consistent funding to support informed planning and spending decisions.

After many meetings, and even more ideas being discussed, consultations were interrupted by the provincial election. The newly elected provincial government is committed to continuing to work with RMA and AUMA to develop a program that will support municipal needs in the long-term, and RMA looks forward to resuming these discussions later in 2019.



Asset Management Capacity-Building

RMA, in collaboration with the Alberta Urban Municipalities Association (AUMA), and Infrastructure Asset Management Alberta (IAMA), received funding from the Government of Canada's Municipal Asset Management Program (MAMP) to develop and deliver asset management capacity-building training to municipalities across Alberta. This year's round of funding built on successful one- and two-day training sessions delivered by the organizations in 2017 by offering municipalities an opportunity to participate in a long-term, small group capacity-building cohort.

The selected cohort included twelve municipalities of different types in southern Alberta. Through three collaborative workshops — as well as multiple conference calls and check-ins — the participants developed a draft asset management policy and strategy, an internal asset management team, terms of reference, and a presentation to deliver to council or other community stakeholders explaining the benefits of asset management. All cohort participants reported an improved understanding of asset management and more confidence in their ability to implement asset management principles in their municipality following the cohort.

As interest in the cohort greatly exceeded expectations, a second cohort with 12 new municipalities is planned to run from September to December 2019.



Brandon Low

Message from the Manager of Marketing & Communications

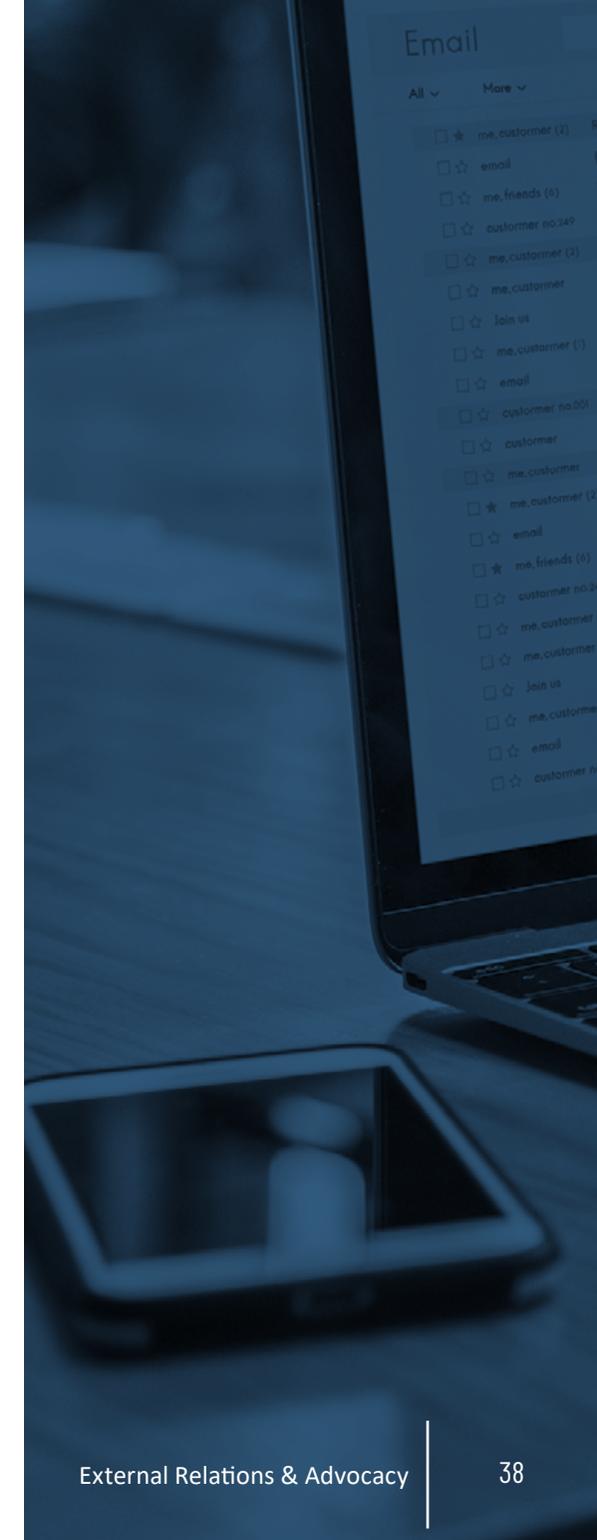
Effective communication is critical to the success of any relationship, whether it be personal, political, or business-related. Knowing that, I am both excited and humbled to be part of the RMA's new and strengthened marketing and communications effort.

Established September 2018, the Marketing & Communications Department is the association's newest internal unit. Reporting under External Relations & Advocacy, Marketing & Communications works collaboratively with all of RMA's internal stakeholders – from the Board of Directors to Corporate Services, from Trade to Insurance, and everything in between – to ensure that RMA communications are focused, timely, and true to the members we represent.

With the establishment of the new department as an integral unit to the association's operations, our team has been challenged to find creative solutions to increasingly complex challenges. The myriad of projects we have been involved with has taken us from championing the issues of rural Alberta in the recent provincial election to enhancing collaboration with our sister organizations across the country.

To make this all happen, the department includes dedicated visual design and digital communication personnel. Our team's varied expertise has allowed us to focus efforts on both strengthening the RMA brand and expanding the association's digital presence, including adding Facebook to our social media repertoire. Feedback on both our brand presence and increased frequency of digital messaging has been positive, and we look forward to finding new and unique ways to communicate effectively with our stakeholders, both in and outside our membership.

As we head into the 2019 – 2020 fiscal year, Marketing & Communications will continue to find ways to bring rural Alberta's strong foundation of resilience and cooperation to the forefront of policy and business discussions.

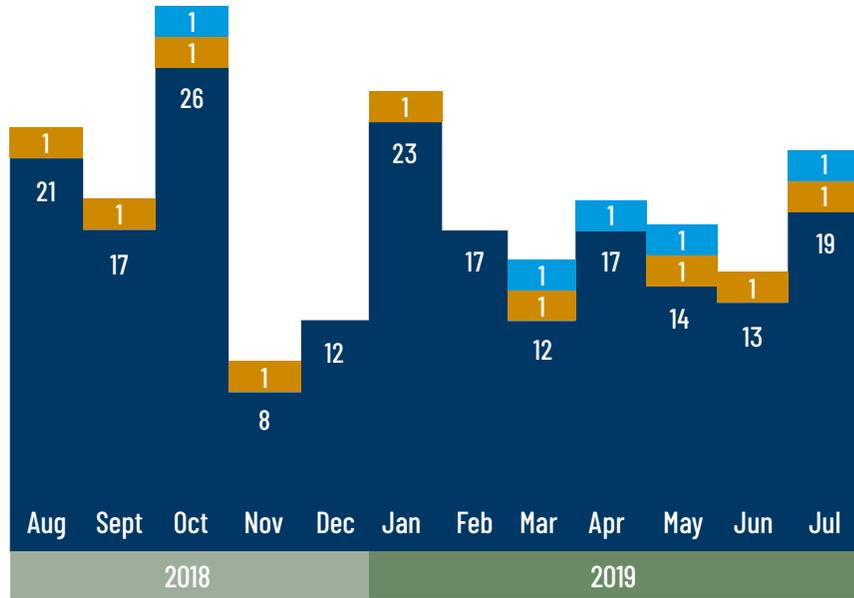


Marketing & Communications

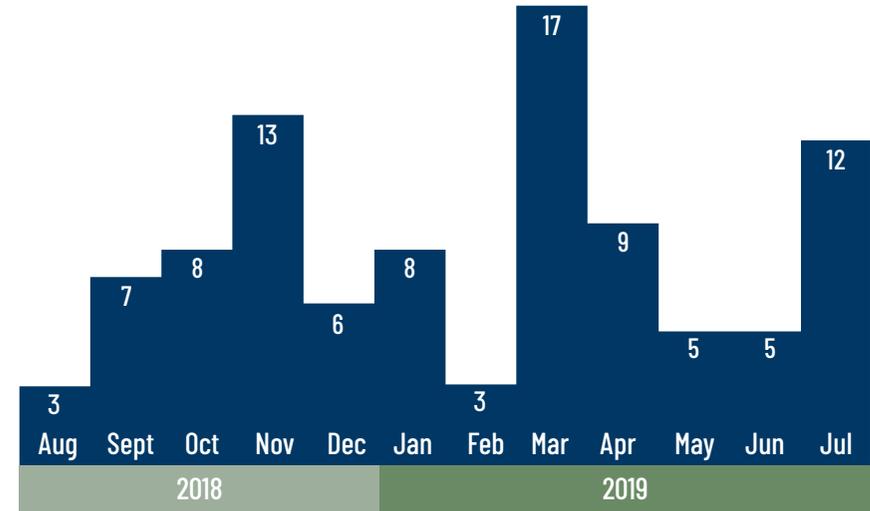


Left to right: Hilary Darrah, Brandon Low, Bianca Ho

Communications Update



Total Bulletins and Press Releases: 212



Media Mentions: 96 (Third Party News Articles)

 <p>83,473 RMA webpage visits (since April 2019)</p>	 <p>4,302 Twitter Followers (increase of 284) 116 Tweets</p>
 <p>106 LinkedIn Followers (since October 2018)</p>	



BUSINESS SERVICES



MEET THE BUSINESS SERVICES TEAM





Duane Gladden

Message from the Director of Business Services

RMA Business Services exists to benefit our members. This core drives us in our daily efforts to help you secure the best value in managing your municipality.

RMA Trade has seen a record-shattering year with a traditional trade volume of over \$56 million. Though the number is incredible by itself, the real story lies behind the scenes. Our Trade team has taken our varied and compliant programs not only to our core members in Alberta, but now all across Canada. As of this letter, there are now municipalities and other associate organizations from British Columbia to Newfoundland leveraging our cooperative procurement offerings, adding increased strength and stability to all of our members despite a sluggish economy.

On the fuel side, despite continued volatility in the market, RMA Fuel has secured a vast network of influential suppliers and retailers through our recent RFP process, and seen many new members join from across the country.

To help facilitate this unprecedented growth, our Trade and Fuel teams have seen some reorganization, adding dedicated vendor relations and business development units. This translates to an improved experience in working with RMA Trade and RMA Fuel from both supplier and member sides.

Meanwhile in the insurance world, though the worldwide market has continued to harden

significantly, RMA Insurance has managed to keep rate increases low for our members, despite facing historic losses within our own program. Our insurance reciprocal Genesis, our dedicated insurance team, and the fierce loyalty of our members have been key in this achievement, and we feel confident that we will continue to see substantial program growth in the upcoming months and years.

These successes would not have been possible without the tireless effort of our staff and the staunch support of our partner associations, suppliers, board, and stakeholders. To each of you, I'd like to extend my deepest appreciation and reaffirm that we truly are stronger together.

A handwritten signature in black ink, appearing to read 'Duane Gladden', written in a cursive style.

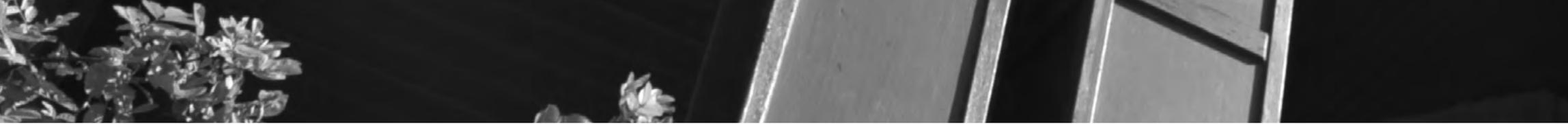




Business Services Management



Left to right: Duane Gladden, Dave Dextraze, Tyler Hannemann, Craig Pettigrew



Vendor Relations



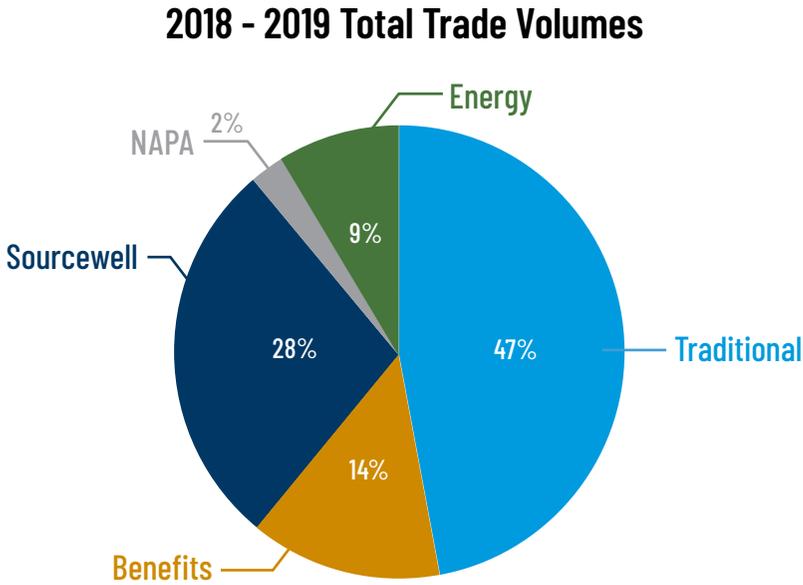
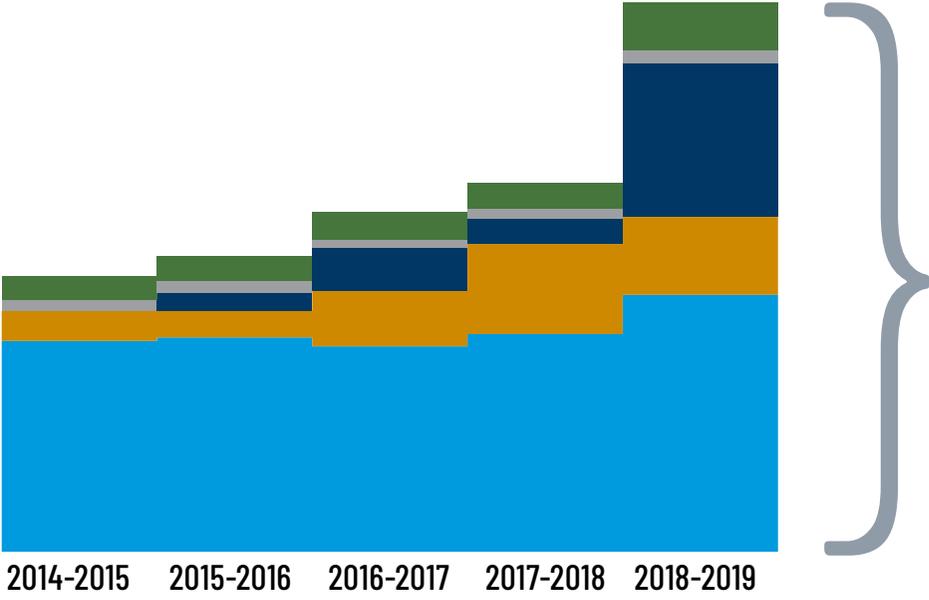
Left to right: Carmen Chase, Nigel Gamester, Dave Dextraze, Carolyn Caldwell, Kayla Mason

Business Development



Left to right: Tyler Hannemann, Ainsley Murdock, Jerad Uytterhagen, Ryan Yavis

Annual Trade Volumes





Duane Gladden

Genesis Reciprocal Update

The last few years has seen a dramatic change in the insurance industry with the rise of climate related events, increased frequency of minor events, and inflation of overall claims costs. These continued events, coupled with reduced investment returns, have created the start of a hard market, which is signaled by reduced coverage and increased pricing. This impact has been seen in the municipal world quite clearly where pricing pressure is being felt across Canada.

But the good news for subscribers of Genesis is that hardening and hard markets are where reciprocals are most valuable. Genesis has the ability to increase or decrease its retention in the manner that best impacts its subscriber base and, therefore, can smooth out the volatility of the open market. That is just what Genesis did in 2018 – 2019, where members saw a small increase to liability rates and small decrease to property rates while the open experienced substantial increases.

But Genesis was not without claims. Certainly 2018 – 2019 was one of the costliest years that Genesis has ever incurred. Several large losses coupled with our continued frequency losses put pressure on the program, but, due to our proven structure, we were able to weather the losses and still be in a positive financial position for the year. This strong financial position will also allow us to make changes in the coming year to once again soften the impact of a rising market.

Despite these losses within our own program, our membership remains one of Genesis' core strengths. Members are quick to apply leading risk management initiatives and our own RiskPro symposiums have been better attended than ever before. This type of engaged management will be a continued benefit to the program pricing model into the future.

Genesis was started in 1986 as a program built by its subscribers to fill a need and it continues to fill that need today. Into the 2019 – 2020 year subscribers will enjoy additional coverages such as the continuation of our cyber program, adding auto physical damage to control costs, and an expansion of overall retentions. The great support and foundation laid in the previous 33 years will allow us to continue to show our value for the next 30. Genesis proves we are better together.



RMA Insurance



*Back row (left to right): Duane Gladden, Dayna Johnson, Michele Carroll, Tom Hirst, Craig Pettigrew
Front row (left to right): Darcy Hale, Kerry Dutton, Holly Neill, Lacey Barnhard, Karen Ankerstein*



Insurance Update

As RMA Insurance looks back on another year, we reflect on how our core values shone throughout:

As a member-owned reciprocal, we showcase our strength in the market with our \$10 billion in total insured value, enabling us to negotiate the best rates. Providing consistent qualified information allows our members to meet the needs of their growing communities. RMA Insurance staff provide in-person service interactions with members, assisting with everything from risk management to member appreciation events. Also, in order to assist members with their asset management, RMA Insurance provides appraisals on many locations and inspections of buildings. This also helps us ensure we have a total understanding of our members' needs and commitments.



Members in our Genesis Liability Reciprocal: 211



Members in our Genesis Property Reciprocal: 305



Completed ANI Sessions / Meetings: 9



Completed Member Visits this Past Year: 90



CORPORATE SERVICES



Olly Morrison

MESSAGE FROM THE DIRECTOR OF CORPORATE SERVICES

It has been a very busy year for the RMA Corporate Services team! As always, the department provides a wide variety of administrative and financial services to all entities within the organization, and this year saw multiple encompassing, forward-looking exercises involving all areas of the organization.

In the spring, we held sessions with staff, directors, and the Board of Directors to develop an updated strategic direction for the next four years. We re-examined the mission, vision, values, roles, and strategic priorities of the association, building on the existing direction to enhance key areas and modify parts where there was some duplication. This new strategic direction was approved at the 2019 Spring Convention.

Our human resources area supported recruitment efforts in all departments this year. The continued growth in the business services area has challenged us to hire employees that do not reside in Alberta in addition to ones working out of the Nisku office. Each year we also hire summer students to support business services' many summer member activities plus a variety of projects for External Relations & Advocacy and Corporate Services.

Technology changes are certainly never ending, and this year we performed a full review to develop a roadmap for future technology investments. The roadmap clearly indicated that we needed a robust

Enterprise Resource Management (ERP) platform that will act as the central command for current and future growth. The implementation of this platform will dominate the remainder of 2019 and throughout 2020. We are all excited and a little nervous about what a highly integrated system can do for RMA!

This was another excellent financial year for RMA and its subsidiaries, RMA Fuel, RMA Insurance, and the insurance reciprocal, Genesis Reciprocal Insurance Exchange (GRIE), enabling us to declare a \$250,000 patronage rebate. A huge thanks to our members who continue to support our programs. Please contact us if you would like a copy of the detailed financial statements and notes.

It is exciting to be part of an organization that looks to the future with ambition and strength. I am proud to work within a management team and supportive Board of Directors that believe in making RMA such a fabulous association. I am also blessed to work with a fantastic Corporate Services team who support the diverse and changing requirements of each of the departments. I look forward to another challenging and rewarding year.

A handwritten signature in black ink, appearing to be 'Olly Morrison', written in a cursive style.



Corporate Services



*Back row (left to right): Kelsy Propp, Julie Thibeault, Ann Vanderlee, Susan Wolf, Zeeshan Arain,
Front row (left to right): Leona Munro, Sarah Wong, Monica An, Olly Morrison*

FINANCIAL OVERVIEW

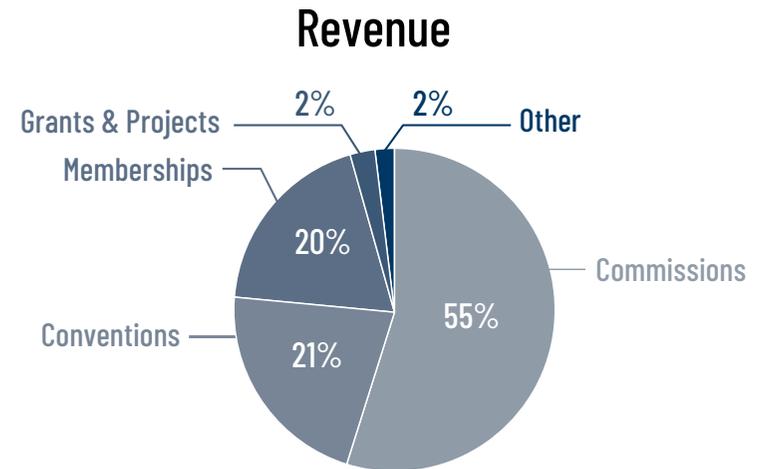
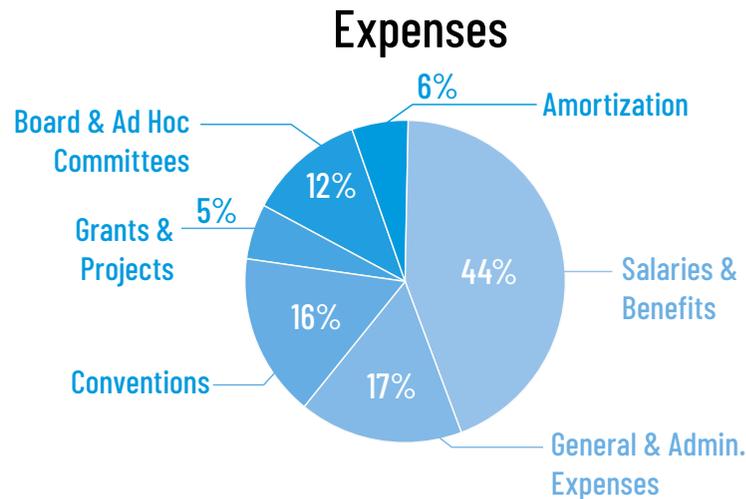
Rural Municipalities of Alberta

Fiscal Year ending July 31, 2019

RMA generates income from the Trade program, Fall & Spring Conventions, and membership fees paid by our members. RMA also receives funding from the Ministry to assist municipalities in different projects throughout the year. As always, RMA is member-driven and focused on improving services to its members.

The Rural Municipalities of Alberta, RMA Insurance Ltd., RMA Fuel Ltd., and the Genesis Reciprocal are continuously increasing capabilities and prospering under the solid leadership of the Board of Directors as well as the Executive Director, Director of External Relations & Advocacy, Director of Business Services, and Director of Corporate Services.

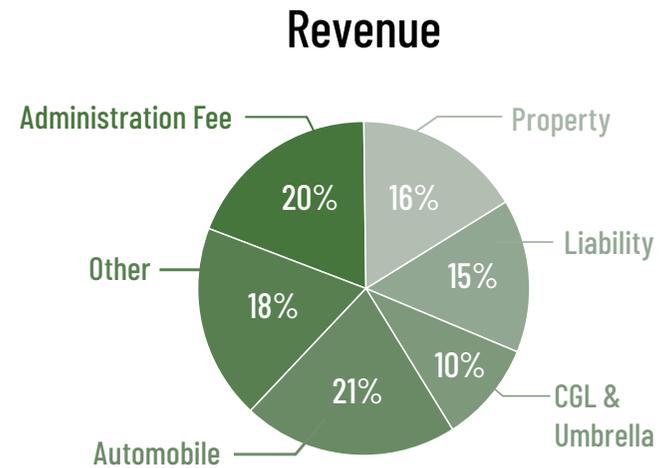
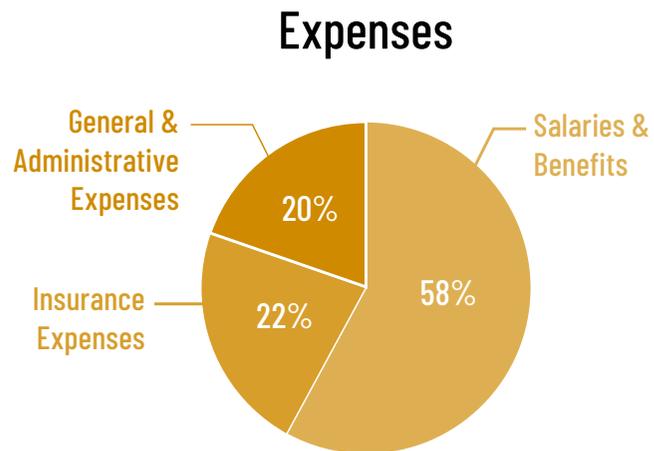
RMA is committed to improving both the quantity and quality of financial information available to our members. This annual report has been presented in a concise manner. For further detailed information or to share your thoughts on the information provided, please contact Olly Morrison, Director of Corporate Services.



RMA Insurance Ltd.

Fiscal Year ending July 31, 2019

RMA Insurance Ltd. generates income from commissions and administration fees on all premiums paid by our members. We continually strive to find efficiencies and ensure solid business practices are in place to safeguard the value of RMA Insurance Ltd. to our members. From a finance and accounting perspective, RMA Insurance Ltd. is meeting or exceeding all goals under the solid leadership of the Board of Directors and the RMA management team.



MANAGEMENT'S RESPONSIBILITY

To the Members of Rural Municipalities of Alberta:

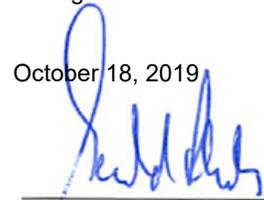
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the 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 entirely of Directors who are neither management nor employees of the Organization. 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 fulfils 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 Organization's external auditors.

MNP LLP 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.

October 18, 2019



Gerald Rhodes, CLGM, MBA, CAE
Executive Director



Olly Morrison, CPA, CMA
Director of Corporate Services

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of Rural Municipalities of Alberta:

Opinion

The summary financial statements are comprised of the following:

- The summary statement of financial position as at July 31, 2019 and the summary statement of operations for the year then ended for Rural Municipalities of Alberta ("RMA").
- The summary balance sheet as at July 31, 2019 and the summary statement of earnings for the year then ended for RMA Insurance Ltd. ("RMA Insurance") and RMA Fuel Ltd. ("RMA Fuel").

The summary financial statements are derived from the audited financial statements of the respective entities for the year ended July 31, 2019.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the disclosed criteria in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations for RMA and Canadian accounting standards for private enterprises for RMA Insurance and RMA Fuel. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated October 18, 2019.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the disclosed criteria in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

Edmonton, Alberta

October 18, 2019

MNP LLP

Chartered Professional Accountants

NOTE FOR RMA: CRITERIA FOR SUMMARY FINANCIAL STATEMENTS

These summary financial statements reflect, with certain lines and numbers aggregated, the main classifications of assets, liabilities, operating results and cash flows presented in the audited financial statements, but exclude all note disclosure required under Canadian accounting standards for not-for-profit organizations (for Rural Municipalities of Alberta), or Canadian accounting standards for private enterprises (for RMA Insurance and RMA Fuel).

NOTE FOR GENESIS: BASIS OF PRESENTATION

These summarized financial statements are derived from the complete annual audited financial statements of Genesis Reciprocal Insurance Exchange for the year ended December 31, 2018. The complete annual financial statements are prepared in conformity with International Financial Reporting Standards.

A copy of the complete audited financial statements is kept on file at RMA offices and can be provided upon request.

The criteria applied by management in preparing these financial statements is outlined in the paragraph below.

The figures presented in these summarized financial statements agree with or can be recalculated from the figures presented in the complete audited financial statements. Management believes that the summarized financial statements contain the necessary information and are at an appropriate level of aggregation so as to not be misleading to the users.

Rural Municipalities of Alberta: Summary Financial Statements

Audited Statement of Financial Position

As at July 31, 2019

	2019	2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,251,089	\$ 1,274,398
Cash - Restricted	28,470	27,934
Accounts Receivable	6,323,130	5,645,711
Prepaid Expenses	146,422	67,311
	<u>7,749,111</u>	<u>7,015,354</u>
Property and Equipment	2,192,405	2,349,423
Investment in RMA Fuel Ltd.	404,290	251,404
Investment in RMA Insurance Ltd.	4,052,381	3,589,643
Investment in Alberta Elected Officials Education Program Corp.	8,880	4,796
	<u>\$ 14,407,067</u>	<u>\$ 13,210,620</u>
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 4,875,494	\$ 4,076,114
Deferred Revenue	311,087	354,392
Current Portion of Capital Lease Obligations	8,342	-
	<u>5,194,923</u>	<u>4,430,506</u>
Capital Lease Obligations	36,473	-
	<u>5,231,396</u>	<u>4,430,506</u>
NET ASSETS		
Net Assets Invested in Property and Equipment	2,147,590	2,349,423
Net assets Internally Restricted	1,000,000	1,000,000
Unrestricted Net Assets	6,028,081	5,430,691
	<u>9,175,671</u>	<u>8,780,114</u>
	<u>\$ 14,407,067</u>	<u>\$ 13,210,620</u>

Rural Municipalities of Alberta: Summary Financial Statements

Audited Statement of Operations

For the year ended July 31, 2019

	2019	2018
REVENUE		
Commissions	\$ 2,923,900	\$ 2,431,112
Convention registration and tickets	1,134,065	1,110,358
Memberships	1,049,674	1,060,320
Grants and projects	128,458	487,207
Rental income	66,000	221,000
Sundry income	19,982	23,122
Service charges	9,471	4,145
	5,331,550	5,337,264
EXPENSES		
Salaries, Benefits and Training	2,306,672	2,193,630
Convention	847,385	831,904
Board and Ad hoc Committees	623,577	537,825
Grant and project expenses	280,108	575,668
Amortization	285,226	264,063
Professional fees	240,449	142,777
Advertising and promotion	226,629	270,588
Building operations	157,598	126,919
Automotive	71,466	69,009
Computer	39,202	145,319
Office Supplies	32,535	28,717
Insurance	30,540	30,888
Telephone	20,515	20,567
Memberships & subscriptions	18,442	14,517
Interest	13,803	7,870
Postage	4,971	6,762
Interest on capital lease obligations	1,862	-
	5,200,980	5,267,023
Excess of revenue over expenses before other items	130,570	70,241

For the year ended July 31, 2019

	2019	2018
OTHER INCOME (EXPENSE)		
Increase in equity in RMA Insurance Ltd.	426,462	745,431
Dividends	125,000	125,000
Increase in equity in RMA Fuel Ltd.	73,829	95,015
Other Income	13,564	15,203
Increase in equity in Alberta Elected Officials Education Program Corporation	4,079	11,139
Loss on disposal of software	(131,912)	-
	511,022	991,788
EXCESS OF REVENUE OVER EXPENSES	\$ 641,592	\$ 1,062,029

RMA Insurance Ltd.: Summary Financial Statements

Audited Balance Sheet

As at July 31, 2019

	2019	2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	1,438,964	899,797
Marketable Securities	1,531,152	1,647,962
Prepaid Expenses	1,580	2,099
Due from RMA	44,634	80,909
Accounts Receivable	260,232	116,754
	<u>3,276,562</u>	<u>2,747,521</u>
Marketable Securities	1,177,151	1,149,228
	<u>4,453,713</u>	<u>3,896,749</u>
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	266,213	203,789
Deferred Revenue	90,484	22,407
	<u>356,697</u>	<u>226,196</u>
Shareholder's Equity		
Common Shares	600	600
Retained Earnings	4,096,416	3,669,953
	<u>4,097,016</u>	<u>3,670,553</u>
	<u>4,453,713</u>	<u>3,896,749</u>

Audited Statement of Earnings

For the year ended July 31, 2019

	2019	2018
REVENUE		
Commissions	3,228,746	3,252,637
Administration Fee	792,136	764,046
	<u>4,020,882</u>	<u>4,016,683</u>
EXPENSES		
Salaries & Benefits	2,052,848	1,888,945
Service Fees	360,000	360,000
Risk Pro Premium Credit	336,527	114,808
Computer & Equipment	244,923	350,988
Staff Education & Training	101,745	74,094
Executive (RMA Board allocation)	85,000	85,000
Risk Pro Program & Seminars	81,653	86,961
Insurance	68,341	64,313
Rent	54,600	54,600
Advertising & Promotion	40,903	29,860
Travel - Automobile & Meals/Entertainment	38,963	45,233
Office Supplies	27,122	29,595
Professional Fees (legal, audit, dues, and banking)	22,136	39,595
Telephone	18,946	20,041
Courier & Postage	6,838	7,993
Bad Debts	501	5,289
	<u>3,541,046</u>	<u>3,257,315</u>
Other Income (Expense)	71,627	111,063
NET EARNINGS	<u>551,463</u>	<u>870,431</u>

RMA Fuel Ltd.: Summary Financial Statements

Audited Balance Sheet

As at July 31, 2019

	2019	2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 619,396	\$ 863,859
Accounts Receivable	3,354,114	4,731,930
Prepaid Expenses	1,759	3,281
	3,975,269	5,599,070
Marketable Securities	48,399	48,195
Due from the RMA	618,460	697,517
Goodwill	732,688	732,688
	\$ 5,374,816	\$ 7,077,470
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 4,352,066	\$ 6,128,549
Shareholder's Equity		
Common Shares	100	100
Retained Earnings	1,022,650	948,821
	1,022,750	948,921
	\$ 5,374,816	\$ 7,077,470

Audited Statement of Earnings

For the year ended July 31, 2019

	2019	2018
REVENUE		
Commissions	\$ 625,255	\$ 643,063
EXPENSES		
Salaries, Benefits, and Training	444,438	425,861
Advertising & Promotion	26,719	31,234
Computer	24,775	23,925
Office	15,345	22,262
Rent	14,000	14,000
Professional Fees	11,550	12,333
Travel	8,018	11,400
Insurance	6,000	6,500
Interest & Bank Charges	581	533
	551,426	548,048
NET EARNINGS	\$ 73,829	\$ 95,015

Genesis Reciprocal Insurance Exchange: Summary Financial Statements

Statement of Financial Position

At at December 31, 2018

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 9,598,958	\$ 80,082
Marketable securities	45,066,985	46,246,697
Insurance balances receivable	3,745,789	11,998,964
Deferred acquisition costs	914,793	534,206
Reinsurers' share of unpaid claims	138,300	38,106
Ceded unearned premiums	154,167	272,188
	<u>\$ 59,618,992</u>	<u>\$ 59,170,243</u>
	2018	2017
LIABILITIES		
Accounts payable and accrued liabilities	\$ 28,825	\$ 57,797
Claims payable reserve	21,952,300	21,885,105
Premium taxes payable	511,621	504,911
Unearned premium liability	10,560,399	10,569,019
	<u>33,053,145</u>	<u>33,016,832</u>
SUBSCRIBERS' SURPLUS		
Surplus	26,565,847	26,153,411
	<u>\$ 59,618,992</u>	<u>\$ 59,170,243</u>

Statement of Comprehensive Income

For the year ended December 31, 2018

	2018	2017
INCOME		
Gross premiums written	\$ 12,790,528	\$ 12,622,780
Ceded written premiums	(188,572)	(326,625)
Decrease (Increase) in unearned premiums	(109,401)	201,092
Premiums earned	12,492,555	12,497,247
Net investment income	(900,266)	1,164,780
	<u>11,592,289</u>	<u>13,662,027</u>
	2018	2017
EXPENSES		
Losses incurred	9,749,973	10,451,911
Premium tax	511,621	474,213
General and administrative	1,298,846	1,336,325
Change in deferred acquisition costs	(380,587)	477,224
	<u>11,179,853</u>	<u>12,739,673</u>
Total Comprehensive Income	<u>\$ 412,436</u>	<u>\$ 922,354</u>



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