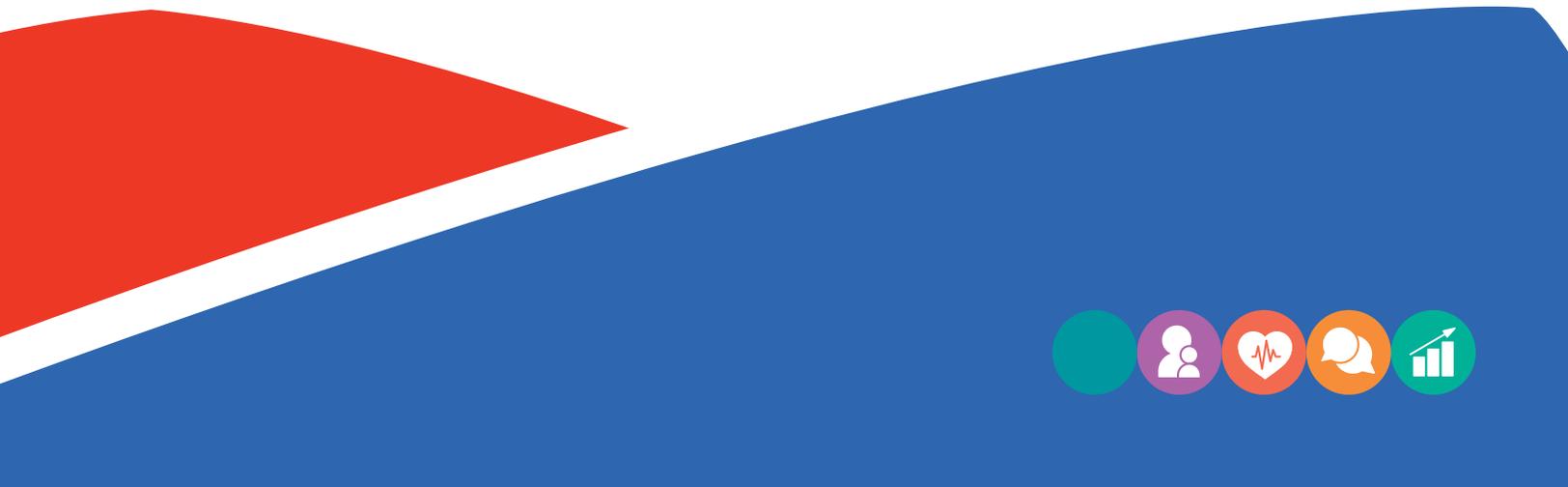
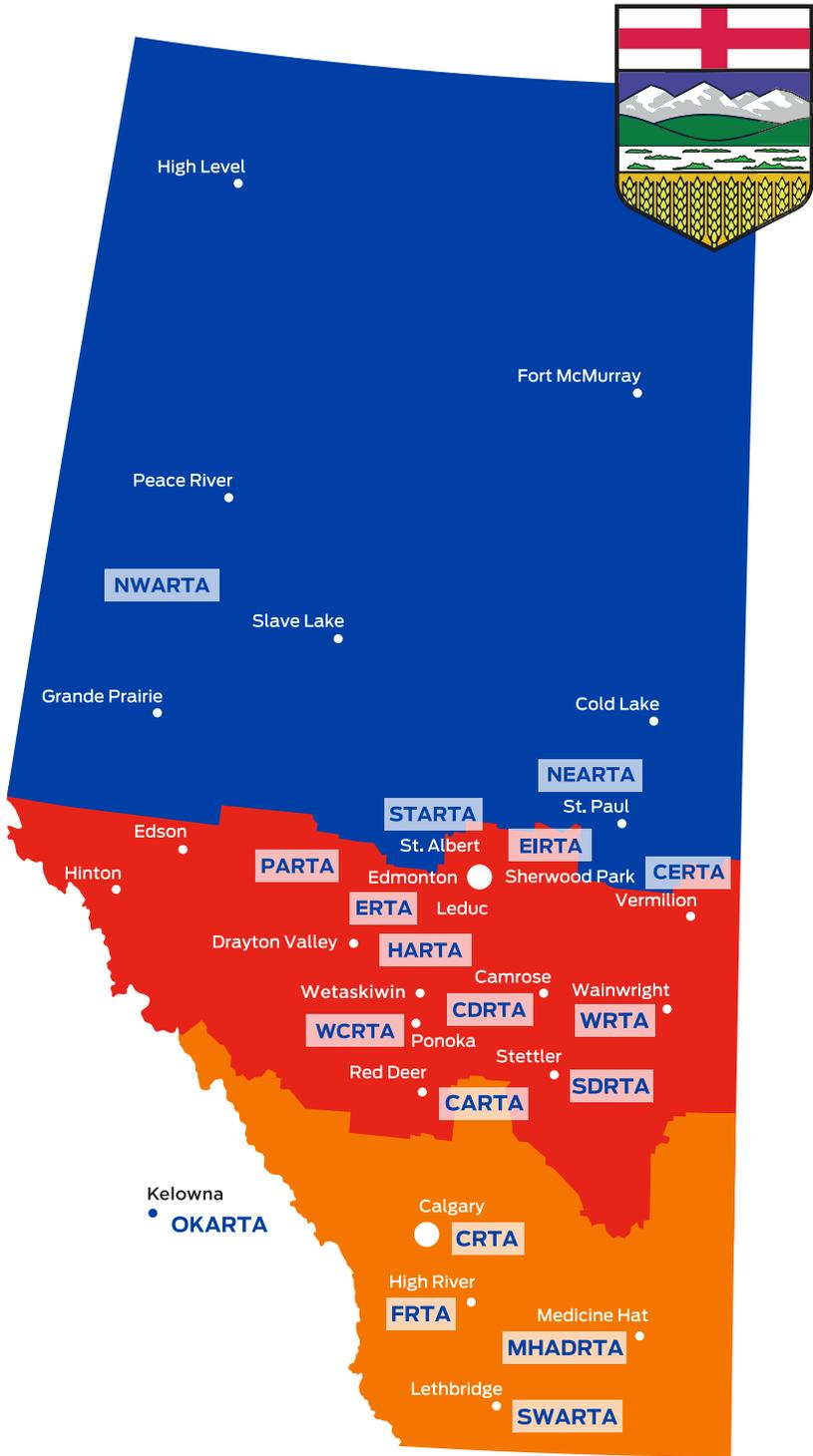


# ARTA

## ANNUAL REPORT

### 2017-2018







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## EXECUTIVE SUMMARY

### Daniel Mulloy

#### ARTA's Mission

ARTA supports an engaged lifestyle after retirement through member-centred services, advocacy, communication, wellness and leadership.

**T**he Alberta Retired Teachers' Association was established in 1963 as a province-wide organization. Its goal was to offer social activities to its members and to look at issues affecting retired teachers. In 1995 the ARTA Health Care plan was added to its list of services for retired teachers.

Since then, ARTA has grown to provide such services to its members as: health care, insurance, wellness information and activities, advocacy, retirement planning, technology information, scholarship awards as well as travel plans, social activities and other benefits.

We continue to experience tremendous growth. Currently ARTA has over 21,700 members within the education, public and private sectors. ARTA has seventeen branches throughout Alberta and one satellite branch in British Columbia.

This Annual Report will highlight some of our impressive operational and financial results over the past fiscal year as well as bring to light some of our achievements in satisfying our strategic goals of Member Services, Wellness, Advocacy and Organizational Excellence.

The ARTA Board, associated committees, and staff continue to work with our members and partners to effectively provide programs, resources and activities that ensure all of our members can enjoy an engaged lifestyle after retirement.

I would personally like to take this opportunity to thank all the board members, committee members and staff for their valuable contributions over the past year. The commitment and experience they all bring to their roles is a real asset to all those who benefit from what ARTA has to offer.

#### Daniel Mulloy

Chief Executive Officer & Executive Director

**21,747**  
members

Benefits covering  
more than

**30,435**  
lives

Membership  
growth rate for  
2017-2018:

**8.92%**

Benefit plan  
growth rate for  
2017-2018:

**13.4%**

Average member  
age:

**70.5**



The Alberta Retired Teachers' Association is governed by a board of directors comprised of retired teachers who have selflessly volunteered their time to serve fellow retired teachers and like-minded professionals.

## ARTA Board of Directors as of September 30, 2018:

Marilyn Bossert (President)

Juanita Knight (Past President)

Lorna McIlroy (Vice President)

Dolaine Koch (Treasurer)

Daniel Mulloy (CEO & Executive Director)

Edna Warriner

Keith Elliott

Bonnie Bauer

Linda Manwarren

Karen Atkinson

Joan Harrison

Carol Henderson

Ron Thompson

Mel Deydey

Larry Lambert

Joan Godbout

Fred Resler

Iona Robertson

Neil Pinder

Debbie Kelley

Marian Oberg

Doreen Pawlowski

Frank Tschabold

Erika Foley

Lawrence Hrycan

Patty Atkinson

Maxine Anderson

Carol Loewen

Jim Forde

Ingrid Neitsch



# STRATEGIC PLAN 2017-2020

## ARTA Board of Directors

The Strategic Plan for 2017 to 2020 guides ARTA towards its 2020 vision. It lays out the broad picture of the services and operations for the well-being of current and affiliate members, for potential members, for other retirees, and for affiliate and similar organizations.

### The Strategic Plan is ARTA's foundational document upon which other plans will be formulated.

With another year behind us, our 2017-2020 Strategic Goals are coming more into focus as each and every year passes. From the new programs and initiatives that have been created by our board and committees to the contributions by our dedicated partners and staff, our mission of supporting an engaged lifestyle after retirement through member-centred services, advocacy, communication, wellness and leadership has become more of a reality.

Strategic Goal:  
**Member Services**

Strategic Goal:  
**Wellness**



Strategic Goal:  
**Organizational Excellence**

Strategic Goal:  
**Advocacy**

## STRATEGIC GOAL

# Member Services



## ARTA fosters vibrant, engaged, and informed members.

**ARTA is a member-centred organization, proactively identifying the needs of its present and future membership and providing information about programs and services to meet these needs.**

ARTA strives to best serve its members at all times. Over the past year we invested in new initiatives and have introduced new programs and services to continue in our pursuit of meeting our members' needs. ARTA is also keen on ensuring our members know what is happening and are continuing to develop communication strategies and platforms to ensure that all eligible members have heard about our association and the opportunities within.

One of our most valued programs is our Benefits Plan. ARTA is always reviewing the plan and making improvements when required. We are constantly balancing our members' needs with the economic and environmental realities that exist; we remain proud to continue to offer one of the best retiree benefits plans in Canada. Our branches and their activities are the backbone of our association; ARTA continues to assist our branches in being strong resource centres for retired teachers.

### **2017-2018 Member Services initiatives and activities included:**

- Continued to provide Branch grants to assist in the areas of Wellness, Member Recruitment, and Social Connectedness amongst members
- Improved membership renewal process for ARTA members
- Continued analysis and reaction to changes in the benefits and travel landscape, including the introduction of a new service – ARTACares
- Addition of new group participants
- Review of prescription drug expenses to ensure the plan is paying for high value, low-cost drugs where possible



## RETIREE BENEFITS PLAN Member Services

The ARTA Retiree Benefits Plan had sustained growth over the past year, consistent with previous years. The Plan has 19,364 covered members, or over 3,000 more covered members than last year. The growth in the plan is beneficial for all members – more people covered means more people to spread the risk over, allowing the monthly rates to remain relatively stable.

### MEMBERSHIP GROWTH



The ARTA Health Benefits Committee recommended a number of changes to the ARTA Board of Directors over the past year to ensure the long-term sustainability to the ARTA Retiree Benefits Plan, to ensure members are getting the most of their benefits dollars, and to provide them better access to the health care services, aids, and devices they need in a timely manner.

One change the ARTA Board of Directors approved and implemented effective November 1, 2017, was the implementation of a usual and customary fee list for the most utilized services and devices claimed under the ARTA Retiree Benefits Plan. The reasonable and customary charges were implemented to ensure the Plan is not covering expenses that are significantly higher than the average charges being made in the marketplace for that particular device or service. The amounts of the charges were based on the actual claims made (submitted to ARTA's benefits adjudicator) over a one year period, and determined on a case-by-case basis by practitioner or device to ensure they were higher than the average claim submitted for the service or device, and further compared to the reasonable and customary list of services and devices used by other benefits providers to ensure they are in line with the marketplace standards.

The Health Benefits Committee also committed to review the usual and customary charges each year and to adjust those charges (if necessary) based on the most recent marketplace charges.

In addition the Board approved allowing other licensed medical practitioners (not just physicians) to provide approved written orders for certain medical devices and services, as long as the service or device falls within that practitioner's scope of practice. For example, an audiologist may now provide authorization for a hearing aid, permitting the Plan to cover the device. This change permits the members to no longer need to visit their physician for written authorizations for covered services and devices, freeing up their time and their physicians' time.

After reviewing the fees paid for consulting services to ARTA, the ARTA Board also approved the hiring of the group benefits plan consultant to work as an internal consulting resource for ARTA, with all work focusing on the ARTA Retiree Benefits Plan, as well as other Member Services responsibilities. All of the fees that were previously paid to the consulting organization were then rolled back into the plan, again ensuring its long-term sustainability.

### **These changes also allowed the board to approve a number of plan improvements effective November 1, 2018, including:**

- **ARTACares** program, which includes Medical Second Opinion services, Health Care System Navigation, chronic illness support, and eldercare consultations
- Hearing aids maximum increase
- New Enhanced Specialization health conditions
- Coverage for nebulizers

These changes were made with no increase to rates at November 1, 2018.



## STRATEGIC GOAL Wellness

### ARTA promotes a healthy, active and enhanced quality of life for retired people.

**ARTA is a leader and advocate in the promotion of wellness for retirees. ARTA develops and implements strategies to enhance the quality of life of its members and retired people in the community.**

Over the past year, ARTA has made tremendous strides in the area of wellness for its members. Focus continues to be in the areas of physical, intellectual, social, emotional, economic and spiritual wellness. Our Wellness, Health Benefits, and Pension & Financial Wellness committees have all spearheaded initiatives that address the overall wellness of our members. Researching, analyzing and developing wellness-related programs and initiatives focused on our members' total wellness is a passion of our association that we hope will have a tremendous impact in our members' healthy pursuit of an engaged lifestyle after retirement.



### 2017-2018 Wellness initiatives and activities included:

- Completion of a Diabetes Health Manual (to be sent to all ARTA members November 2018)
- Body composition and follow-up clinics
- Wellness education, communication, and research
- Encouraging our members to be active with initiatives like the annual ARTA Wellness Challenge
- Focus on social, emotional and spiritual wellness dimensions
- Working with our strategic partners to make available pertinent wellness information to our members
- Financial wellness workshops offered through our branch network
- Relevant wellness focused information and articles in ARTA's *news&views* magazine



## **ARTA ensures a unified voice is heard on issues affecting current and future retired individuals.**

**ARTA is an effective advocate for its members and retirees with similar interests and concerns. ARTA is recognized as a valued and respected spokesperson on behalf of its members and those in the broader community.**

Ensuring our members' voices are heard on issues impacting them most is of vital importance to ARTA. Advocating for retirees in Alberta and beyond is a never-ending pursuit for our association. Over the last year, ARTA participated in advocacy on a number of issues and we continue that pursuit today. Areas of focus include: health care, dental fees, housing for seniors, long-term health care, income equality, and more. ARTA, along with its strategic partners, continues to be active in bringing issues affecting seniors to the forefront, ensuring that those in political office are mindful of the needs of seniors.

### **2017-2018 Advocacy initiatives and activities included:**

- Seat on the Board of Directors of ACER-CART (Canadian Association of Retired Teachers)
- Member of PIA (Public Interest Alberta)
- Meetings with the Deputy Premier of Alberta and Minister of Health
- 2018 ARTA Retreat that focused on ARTA's advocacy voice
- Monitoring of the 2017 to 2020 Strategic Plan, evolving the organization from where we have been to move us into the future



## STRATEGIC GOAL Organizational Excellence

### **ARTA nurtures leadership, encourages communication, recognizes achievement and embraces sustainability.**

**ARTA is an effective, ethical and transparent organization that provides services, resources and advocacy in the pursuit of an engaged lifestyle after retirement for its members. ARTA is recognized as an employer of choice by the business and non-profit community in the province of Alberta.**

In the previous iteration of the strategic plan, organizational excellence was identified as a key component necessary for the success of all three goals. It has since been determined that it is so integral to the success of the association that ARTA is now positioning it as a fourth strategic goal.

### **2017–2018 Organizational Excellence initiatives and activities included:**

- Continuous review and improvement of ARTA *news&views* magazine, email newsletter *ARTAfacts*, and Facebook
- Restructuring and redesign of the ARTA website to align with the four strategic goals
- ARTA's board members, committee members, staff, and appropriate branch representatives took advantage of opportunities for continued education and skills training to succeed in their roles
- Review and implementation of amendments to both of ARTA governing documents: Bylaws and Policies and Procedures
- Completion of a successful audit of our financial position
- Exited contractual relationship with benefits consultant and brought plan expertise in-house, reducing costs and improving direct resourcing
- Continual implementation of a marketing strategy to ensure the message of ARTA is meeting its target audiences
- Recipient of the 2017 Canadian Nonprofit Employer of Choice award, which recognizes ARTA as a nonprofit organization with exemplary talent management practices and successful mission delivery



As ARTA's members are active and vibrant retirees, it's important to project a positive image with life and energy. ARTA's members have entered a new phase of life, and the dynamic image of the rising sun creates a reassuring feeling that this new chapter in their lives bring with it hope and promise while the clouds remind us of the diversity that each day brings.

Many of the elements of the existing logo are featured in the updated logo:

- The sun's rays
- The curved horizon
- The mountain peaks (the tops of the **A**s)
- The three colours (blue, red, and tangerine)

With the refresh, the elements that were modified are:

- ARTA is featured in a bolder font as a way to stand out
- The ARTA type is separated from the logo to make it clearer to read.
- Instead of drawing out the **RT** in red (focusing on Retired Teachers), the **R** is in tangerine to focus on Retired and the colour choice connects it to the rising sun.

The image has been rendered in a way that makes the graphic seem friendly and energetic, but still with the authority of an institution. The boldness of the elements allows it to be reproduced well on all kinds of media and materials, even in one colour at small sizes.



## ARTA's MEMBER BASE By the Numbers

# 6

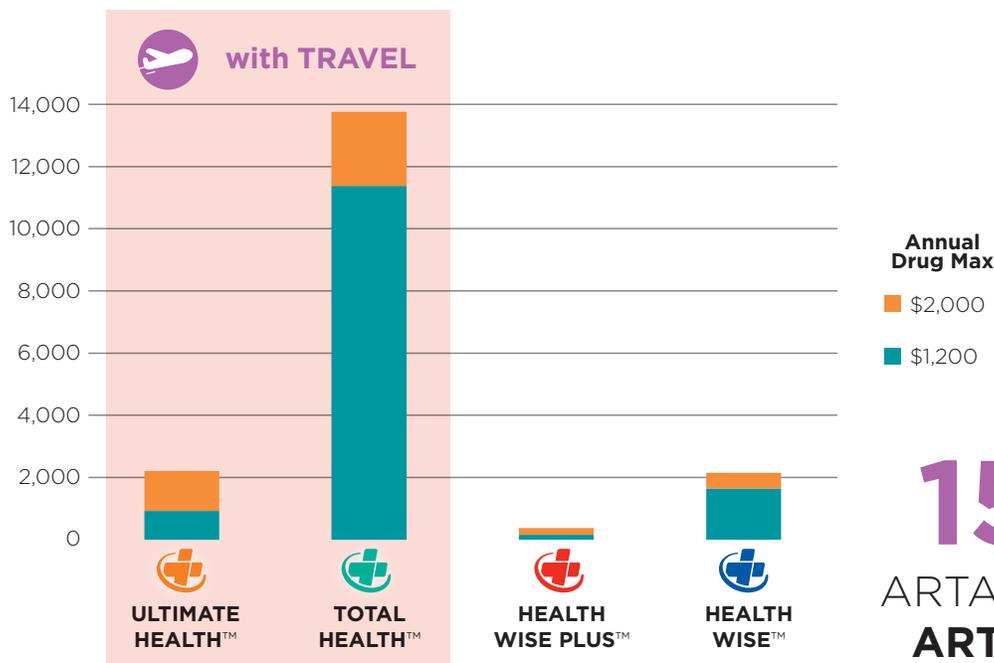
Number of **Continents**  
travelled to by ARTA  
members  
(that we know of!)



# 98

Number of **Countries**  
travelled to by ARTA  
members  
(that we know of!)

Source: ARTA AGM participants, 2017



Source: Aggregate EHC Plan Enrollees  
at August 31, 2018

# 15,974

ARTA members on an  
**ARTA Benefit Plan  
that includes Travel  
Insurance**

**38**

years old —  
**youngest** ARTA member



**103**

years old —  
**oldest** ARTA member



**Linda**

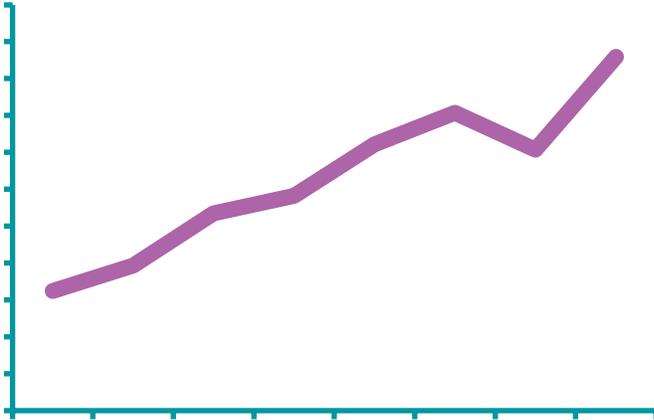
most popular women's  
**name**  
(380 members)



**Robert**

most popular men's  
**name**  
(358 members)

Source: ARTA member database, Sept. 24, 2018



**7%**

increase of **ARTAfacts**  
**readers** for the year

**1,372,116**

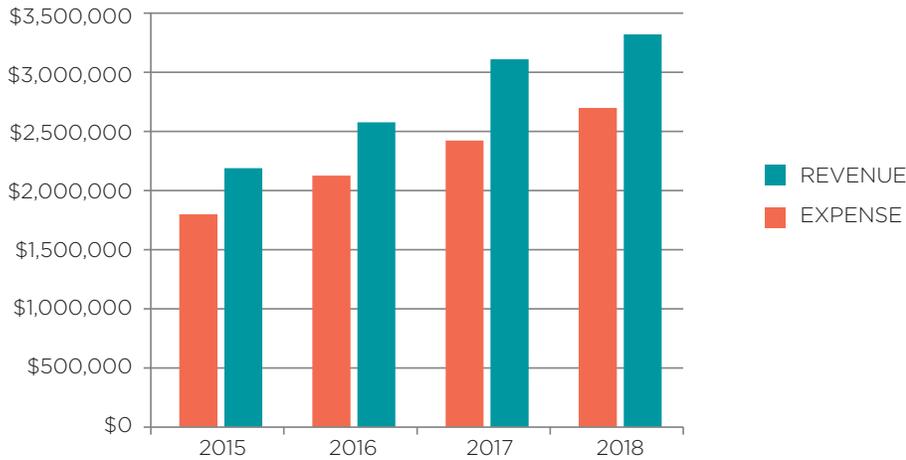
total number of **Hours**  
logged by Wellness  
Challenge participants, 2018





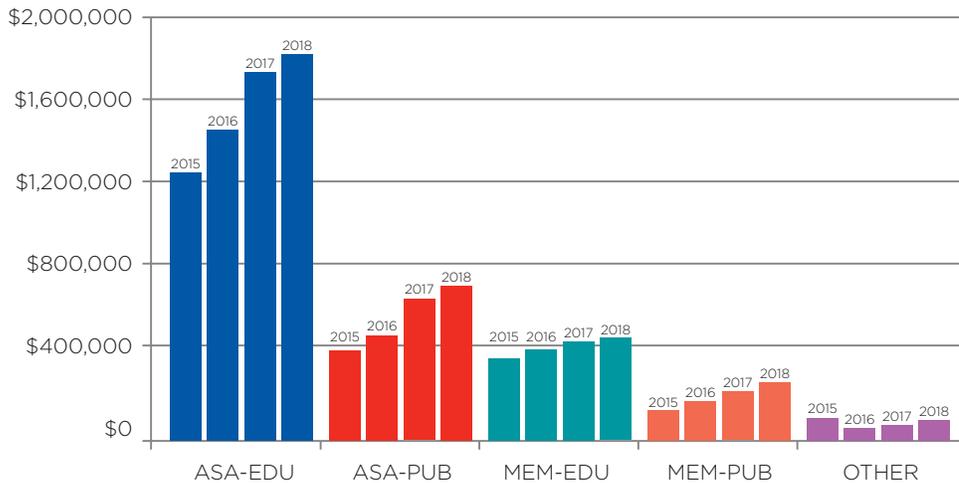
At the end of the 2018 fiscal year ARTA continues on a strong financial path. Management continues to build and reinforce a strong financial foundation.

**REVENUE AND EXPENSE**



Membership growth in ARTA was consistent with years prior. The association continued to enrol more members than had initially been forecast. The 2018 fiscal year saw another year over year increase in Administrative Services Agreement (ASA) revenue and membership revenue.

**REVENUE SUMMARY**



ASA revenue continued its push upward in direct correlation with strong membership growth. ASA Education sector revenue grew by 4% over the prior year. Public sector ASA revenue increased by 9% and Private sector ASA increased by 5% vis-à-vis the prior year.

ASA revenue across each of the sectors exceeded budgeted amounts. There was a decrease of a half percentage point in ASA at the beginning of the fiscal year across all sectors which accounted for the lower overall ASA growth over the 2017 fiscal year. These amounts continue to be conservatively estimated for budget purposes based on actual experience reporting.

Membership revenue – increased relatively consistent with expectations. Education sector membership revenue edged upward by 4%. Public and private sector membership revenue saw a combined increase of 19%. The Education sector membership revenue was less than budgeted as a result of collection for that sector moving largely to a pro-rata billing basis. The amount due from the member became dependent upon the time of year that the member joined the plan. In previous years the full annual membership fee was collected from each Education sector member regardless of the time of year that the member joined the plan.

Advertising revenue continues to grow as the magazine readership increases and website receives more visits. Interest revenue was slightly higher than forecast as interest rates on investments improved considerably over the year. Cash holdings were evaluated at the end of the 2018 fiscal year and another \$500,000 was reallocated to low risk, highly liquid, fixed income investments. These investments are being held as a safeguard against future operating expenses.

The remainder of revenue was in line with amounts budgeted and management expectations. The difference in actual revenue vis-à-vis budgeted revenue accounted for 42% of excess receipts over expenses at year end.

## **EXPENSE SUMMARY**

The association continues to manage costs in an efficient and effective manner. Most expenses at year end were largely in line with or under amounts budgeted.

The most notable exception was committee and annual general meeting costs which came in at roughly 45% less than amounts budgeted. This committee spending shortfall accounted for 57% of excess receipts over expenses at year end.

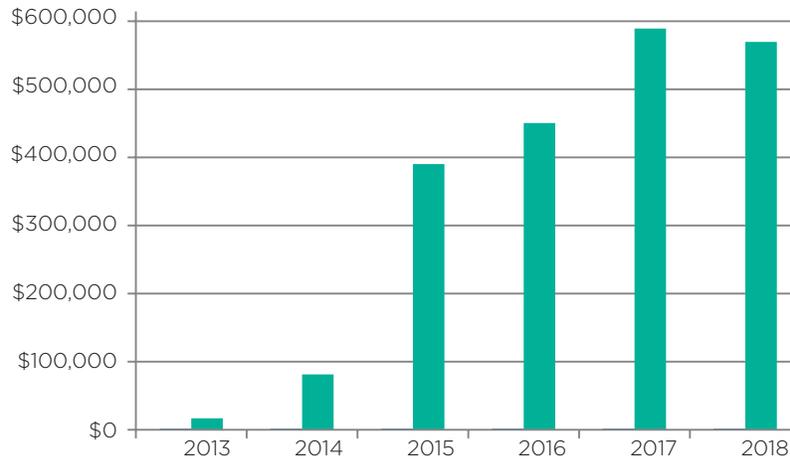
Other spending exceptions included accommodation, meals and travel which collectively exceeded budget. Annual retreat costs were greater than expected and accounted for the majority of the overage. Magazine costs rose and came in approximately 12% over budget. The overage was attributable to per issue production costs which had increased dramatically through the year. Sub-contracting and supplies came in slightly over budget as well. ARTA moved to a relationship with travel benefits provider Allianz which necessitated re-printing and re-distributing membership cards. Cost recoveries from Allianz offset the majority of this cost overage.

The majority of remaining expenses came in at, or well under budget, and compensated for the above noted spending exceptions. Total expenditures (excluding committees) came in at 1.7% below budget. This savings accounted for 1% of excess receipts over expenses at year end.



# Financial Overview *(continued)*

## EXCESS OF RECEIPTS OVER EXPENSES FROM OPERATIONS



The last significant loss for the association was in 2012 at which time the association faced a year end deficit of \$85,127. Years subsequent have allowed for an accumulation of excess funds. The 2018 fiscal year continues to follow this pattern and the association had excess receipts over expenses from operations at year end. The excess continues to be retained (invested in short term highly liquid investments) – and held for future operating requirements. At this time it can be assured that in the event of any short term future losses the association can continue to operate and that current and future liabilities can be met.

**ALBERTA RETIRED TEACHERS' ASSOCIATION**

**Statement of Financial Position**

**June 30, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 795,420	\$ 727,248
Restricted cash	301,033	631,813
Investments	1,315,398	804,435
Accounts receivable	27,347	11,905
Improvement allowance	-	159,590
Inventory	11,204	10,995
Prepaid expenses and deposits	62,087	32,956
	<u>2,512,489</u>	2,378,942
<b>PROPERTY AND EQUIPMENT</b>	<b>640,013</b>	726,828
<b>WEBSITE</b>	<b>35,022</b>	31,452
	<u>\$ 3,187,524</u>	<u>\$ 3,137,222</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 149,947	\$ 160,772
Current portion of deferred contributions	434,783	858,038
Current portion of improvement allowance	15,959	15,959
	<u>600,689</u>	1,034,769
<b>DEFERRED CONTRIBUTIONS</b>	<b>104,550</b>	174,300
<b>IMPROVEMENT ALLOWANCE</b>	<b>122,352</b>	138,312
	<u>827,591</u>	1,347,381
<b>NET ASSETS</b>	<u><b>2,359,933</b></u>	1,789,841
	<u><b>\$ 3,187,524</b></u>	<u><b>\$ 3,137,222</b></u>
<b>LEASE COMMITMENTS</b>		

**ALBERTA RETIRED TEACHERS' ASSOCIATION**  
**Statement of Revenues and Expenditures**  
**Year Ended June 30, 2018**

	2018	2017
<b>REVENUES</b>		
Administrative revenue	\$ 2,552,145	\$ 2,419,877
Membership revenue	678,538	622,637
Home and auto royalties	30,000	30,000
Advertising revenue	23,405	14,605
Scholarships and awards	5,000	5,000
Corporate sponsorship	1,000	-
Grant revenue	500	500
	<u>3,290,588</u>	<u>3,092,619</u>
<b>EXPENSES</b>		
Salaries and wages	1,243,903	1,057,795
Committees and Annual General Meeting	323,514	330,395
Magazine	194,475	156,406
Rental	170,107	164,131
Amortization	104,715	86,412
Office	82,451	116,294
Supplies	75,649	34,679
Meals and entertainment	72,450	47,024
Advertising and promotion	68,326	51,572
Travel	65,582	45,752
Accommodation	63,724	38,424
Sub-contracts	62,128	59,463
Equipment rentals	52,979	40,249
Legal fees	35,396	65,070
Training and conferences	27,877	18,037
Repairs and maintenance	25,391	9,548
Insurance	14,950	15,437
Professional fees	14,281	12,778
Telephone	13,298	14,014
Dues and memberships	12,119	9,745
Printing	9,311	33,031
Utilities	5,724	3,565
Grants	5,000	5,288
Interest and bank charges	4,656	7,419
	<u>2,748,006</u>	<u>2,422,528</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>542,582</u>	<u>670,091</u>
<b>OTHER INCOME</b>		
Other income	16,656	7,972
Interest income	11,469	9,073
Wellness reserve revenue	-	68,278
Wellness subcontracts	-	(68,278)
Loss on disposal of assets	(615)	(98,047)
	<u>27,510</u>	<u>(81,002)</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 570,092</u>	<u>\$ 589,089</u>

**ALBERTA RETIRED TEACHERS' ASSOCIATION**  
**Statement of Changes in Net Assets**  
**Year Ended June 30, 2018**

---

	<b>2018</b>	<b>2017</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 1,789,841</b>	<b>\$ 1,200,752</b>
EXCESS OF REVENUES OVER EXPENSES	<u><b>570,092</b></u>	<u>589,089</u>
<b>NET ASSETS - END OF YEAR</b>	<u><b>\$ 2,359,933</b></u>	<u>\$ 1,789,841</u>



The feedback received from ARTA members allows the organization to continue to grow and adapt as needed to support an engaged lifestyle after retirement. These suggestions are key to helping ARTA provide excellent service to our members.

### MEMBER SERVICES



*“Thank you so much for your experience, wisdom and assistance in guiding me today regarding the different levels of coverage and how best they will suit my needs.”*

*“Your help and service has been absolutely excellent.”*

### WELLNESS



*“I would like to see materials on areas of illness that hit retired teachers the most (perhaps the top 5) so that retirees have that information.”*

*“Would love a symposium on current wellness issues and topics – change trends attitudes. Value of volunteerism. Effects of loneliness and health and how ARTA/Branch members can make connections and a difference to members health.”*

### ADVOCACY



*“The [2018 Retreat] was the BEST Retreat ARTA has had. Others were great but this year’s was exceptional. Positive approaches of advocacy.”*

*“My [active teacher] daughter attended Teachers’ Convention and told me that the ARTA exhibit was a stand-out among the booths. Well done.”*

### ORGANIZATIONAL EXCELLENCE



*“I have the highest regard for ARTA, all that it does and provides for retirees, and for the excellent people who are leaders in ARTA. Thank you for all you do!”*

*“What a gift to meet you Friday. Thanks a million for all your time and effort here.”*

## Thank you



ARTA would like to take this opportunity to extend a sincere thank you to our members and partners for their ongoing support. We look forward to continuing along our path of excellence, ensuring a healthy, active, engaged, and vibrant lifestyle after retirement.

A stylized graphic of a sun with orange rays and a white cloud, set against a light blue background. The sun is partially obscured by a red and white shape at the bottom right. The background transitions from light blue at the top to white in the middle, and then to a dark blue shape at the bottom left.

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**TF:** 1-855-212-2400  
**info@arta.net**