



# 2015 ANNUAL REPORT



Timmins Economic  
Development Corporation

Corporation du développement  
économique de Timmins

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# OBJECTIVES

## OUR VISION

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The Timmins Economic Development Corporation will be the most impactful and emulated organization in Northeastern Ontario for its role in business and community development.

## OUR MISSION

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To facilitate sustainable growth in Timmins by enabling community development initiatives that enhance quality of life and by attracting, retaining, and expanding businesses.

## OUR VALUES

### COMMITMENT



to advancing economic and community development in Timmins.

### EMPOWERMENT

to build self-confidence by encouraging and enabling individuals to take action.



### EXCELLENCE



to provide professional, competent and objective advice and assistance to clients and to support professional development for both staff and board members.

### INCLUSIVITY

to respect differences among staff, clients, partners and stakeholders and welcome the diverse perspectives they bring to processes and decision-making.



### INNOVATION



to embrace change and foster new ways of thinking and to create new processes to improve operations.

### TRANSPARENCY

to conduct business in an honest, transparent manner and be fully accountable for the use of public funds and the confidentiality of information entrusted to its staff and board members.



# MEMBERS

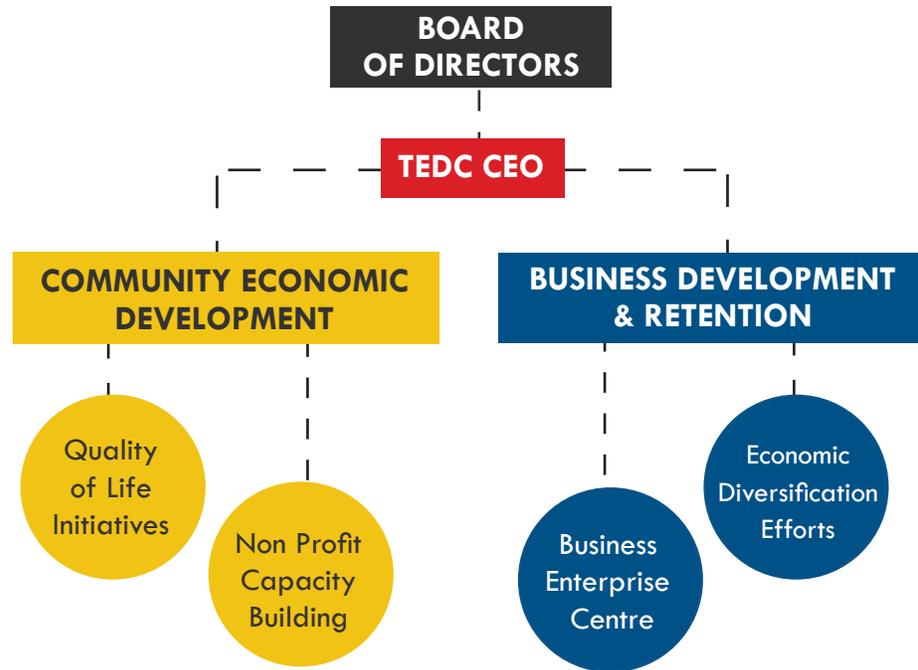
## 2015 BOARD OF DIRECTORS

### EXECUTIVE

**Fred Gibbons** Chair  
**George Hughes** Vice Chair  
**Mayor Steven Black** Director  
**Joel Bergeron** Director  
**Tom Semadeni** Treasurer

### DIRECTORS

**Councillor Pat Bamford**  
**Councillor Joe Campbell**  
**Councillor Walter Wawrzaszek**  
**Marcel Pelchat**  
**Terry Di'Tullio**  
**Sue Milson**  
**Kurt Bigeau**  
**Gilles Blouin**  
**Georges Quirion**  
**John Labine**



## 2015 STAFF

### CEO

**Christy Marinig** Chief Executive Officer  
**Jessica Davies** Project Assistant  
**James Parisi** Research Coordinator  
**Ashley Gibbons** Project Support Assistant

### BUSINESS DEVELOPMENT & RETENTION DIVISION

**Brenda Camirand** Director  
**Ross Macdonald** Business Development Specialist  
**Julie Durocher** Business Development Consultant  
**Tallia Damini** Economic Development Officer/  
Business Development Consultant

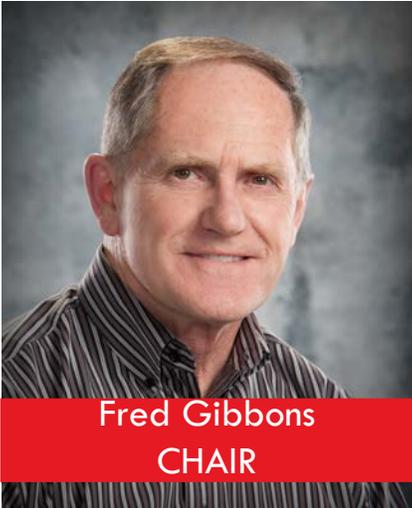
### PROJECT COORDINATORS

**Jon Belanger** Mining Supply, Trade & Investment  
**Ana Blouin** Productivity & Innovation Centre

### COMMUNITY ECONOMIC DEVELOPMENT DIVISION

**Cathy Ellis** Director  
**Antoine Vézina** Community Development Consultant

# LETTER FROM THE CHAIR & THE CEO



**Fred Gibbons**  
CHAIR



**Christy Marinig**  
CEO

Quietly working behind the scenes with business and community clients, the Timmins Economic Development Corporation (TEDC) has once again experienced a banner year for contributions to job creation and business investment in Timmins. With our many community partners, our projects have not only made our city more resilient and economically diverse, but also support the goals of the Timmins 2020 Strategic Plan. We hope you'll take a moment to review the 2015 Annual Report to learn more about how we're helping to make Timmins an attractive City in which to live, work and play.

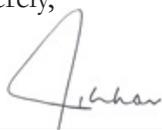
Our Report provides highlights from just a few of the the many business and community projects in which the TEDC participated, as well as an overview of the Corporation's financial position and return on investment to the City. If you'd like to learn more about some of our other projects, and the partners we work with, please get in touch with us, or visit our website.

On behalf of the Board of Directors, I'm pleased to confirm that we exceeded nearly all of the goals we set for ourselves this year. Despite challenges in the global economy and the downturn in the mining sector, the Timmins economic climate remains stable. Following best practices in economic development, the TEDC has focused on optimizing the local small business sector, where most of Canada's economic growth lies. As a result, the Corporation supported the creation of 101 jobs and leveraged just over \$7.5 million in funding for clients. That translates into an 8:1 return on investment of city tax dollars allocated to the TEDC.

In closing, we'd like to thank Mayor Black and City Council for their ongoing support. We'd also like to recognize some of our key funders, including Ministry of Northern Development and Mines (MNDM), Ministry of Economic Development, Employment and Infrastructure (MEDEI), Ministry of Research and Innovation (MRI), and FedNor. And of course, we thank our clients – the entrepreneurs, business owners, non-profit organizations, and community partners with whom we work. Your support and contributions play an important role in helping us bring new opportunities to our city.

We look forward to another year of collaboration and progress as we work towards greater prosperity and sustainable growth.

Sincerely,

A handwritten signature in dark ink, appearing to read "Fred Gibbons".

**FRED GIBBONS**  
CHAIR

A handwritten signature in dark ink, appearing to read "Christy Marinig".

**CHRISTY MARINIG**  
CEO

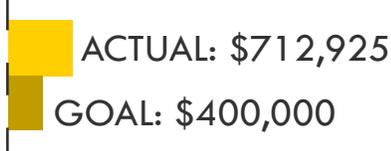
# 2015 METRICS

DOLLARS LEVERAGED  
**\$7,554,425**

**BUSINESS  
DEVELOPMENT  
& RETENTION  
PROJECTS**



**COMMUNITY  
ECONOMIC  
DEVELOPMENT  
PROJECTS**



**THE BUSINESS  
ENTERPRISE  
CENTRE  
CLIENTS**



JOBS SUPPORTED

**101**

CLIENT CONSULTATIONS

**872**

EARNED MEDIA

**28**

WORKSHOPS

**18**

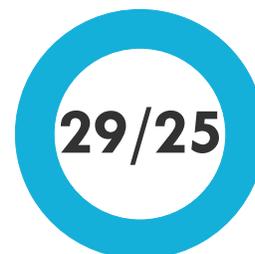
TAX DOLLARS RETURNED

**\$8**

The community gains \$8 for every dollar invested in the TEDC.

STARTER COMPANY

Starter Company is a free program that provides young entrepreneurs with resources to start, expand, or purchase a business. The Business Enterprise Centre holds 4 intakes a year.



# of youth that started, expanded or purchased a business through Starter Company.



# THE BUSINESS ENTERPRISE CENTRE HIGHLIGHTS

## SUMMER COMPANY

Summer Company is a youth entrepreneurship program for those aged 15-29. The Business Enterprise Centre provides business training and mentoring, and participants can access up to \$3000 to start and run a business for the summer. The program's ultimate goal is to encourage students to consider business and entrepreneurship in the future. With the help of two new program mentors in 2015, the Business Enterprise Centre promoted the program at area schools, and worked with 14 youth applicants (exceeding the goal of 10). Funders approved the grant applications for two of those young people, who subsequently started and ran a business over the summer.

## STARTER COMPANY

Starter Company is a program for individuals aged 18-29 who are not returning to school, and who wish to start, buy or expand a business. In 2015, the Business Enterprise Centre held 27 workshops (exceeding its goal of 24) to promote entrepreneurship and transfer business management skills to participants. Twenty-nine young people completed the Starter Company program last year, exceeding our target of 25 participants in just nine months.

“

I feel like I wouldn't be where I am today without Starter Company. I was terrified at the idea of starting my own business, but all the training and support helped me through the start-up phase and gave me so much hands-on knowledge.

— Cassie Farlardeau,  
*Hair Creations By Cassie*

## WORKSHOPS OFFERED BY THE BUSINESS ENTERPRISE CENTRE

### SMALL BUSINESS WEEK

Starting a Small Business (Timmins)  
Financing Solutions (Timmins)  
Developing your Business (Timmins)  
Developing your Business (Kapuskasung)  
Twitter Workshop (partnered with Kapuskasing Chamber of Commerce)

### NORTHERN COLLEGE/ ENTREPRENEURIAL, PROBLEM-SOLVING, & INNOVATION CLUB (EPIC)

How to Start Your Business

### FIRST NATIONS BUSINESS DEVELOPMENT AND WORKSHOPS (MOOSE FACTORY)

Assessing Yourself and Your Business Idea  
Starting a Business  
Making a great First Impression  
Branding and Marketing Strategies

### WOMEN IN BUSINESS (Timmins & Kapuskasing)



# BUSINESS DEVELOPMENT & RETENTION

The Business Development and Retention team provides expert advice in business attraction, development and retention. The staff members help entrepreneurs take advantage of the opportunities and resources that Timmins has to offer.

## KEY PROJECTS HIGHLIGHTED

Building a New Manufacturing Plant in  
Timmins: Calabrian  
[Attracting Research Investment](#)  
Attracting a Basalt Fibre Rockwool Insulation  
Plant

[Promoting a Centre of Excellence for  
Productivity & Innovation](#)  
Expanding Our Mining Supply & Services  
Sector  
[Establishing an Industrial Rail Park](#)  
Promoting More Cold Weather Testing



The TEDC has helped us with our growth and success in finding new financial support opportunities we did not know existed. The TEDC has always been there for our company to discuss financial services as well as their continued attention to follow up as they know our business's challenges.

— *Mark Duquette,*  
*Northern Windows and Doors*





## **BUILDING A NEW MANUFACTURING PLANT IN TIMMINS: CALABRIAN**

In 2015, The TEDC began working with Texas-based company Calabrian to identify potential sites for a sulphur dioxide (SO<sub>2</sub>) production facility. Sulphur dioxide is used in various mining processes. Calabrian's manufacturing process produces high quality liquid sulphur dioxide in a self-contained facility, and in an environmentally friendly manner that has been in commercial use for over 25 years. The new plant is now being built at the Industrial Rail Park at the east end of Timmins. Bringing this new industry to Timmins further diversifies our economy and will create 20 full-time skilled manufacturing jobs for the city.

## **ATTRACTING RESEARCH INVESTMENT**

In 2015, the TEDC began work on attracting research facilities to our area. We have several unique features that are unavailable in other regions or communities, and we're reaching out to scientific organizations to make sure they're aware of the opportunities for research here. For example, we've analyzed the feasibility of attracting researchers with interests in forestry, ecology, post-mining activity, and land reclamation. There is more to come in 2016.

## **ATTRACTING A BASALT FIBRE ROCK WOOL INSULATION PLANT**

In 2015, the TEDC participated in Premiere Wynne's trade mission to China, where Timmins' Mayor Black signed a Letter of Intent with Jiangsu Tianlong Basalt Fiber Co. Ltd. to determine the feasibility of developing a rock wool insulation plant in Timmins. Since then, the TEDC staff has worked extensively with Chinese business investors, helping them locate potential sites, confirm mineral deposits, and navigate the regulatory issues required to build the facility. The project is progressing well and we expect to know more towards the end of 2016.





Photo Credit: Ben Flock

## PROMOTING A CENTRE OF EXCELLENCE FOR PRODUCTIVITY AND INNOVATION

The TEDC oversees our region's Productivity & Innovation Centre (PIC), a project funded by the Northern Ontario Heritage Fund Corporation (NOHFC) and FedNor. PIC supports business commercialization and innovation projects across northeastern Ontario. Through its Productivity Assessment Program, PIC helped 25 businesses in Timmins and the region with applied research and commercialization projects in 2015. As a result, small businesses were able to leverage more than \$135,000 in government funding that could be applied towards equipment upgrades, process development, and other efficiency improvements. PIC also partnered with regional business and economic development organizations to deliver workshops on innovation and process efficiencies for small business.

## EXPANDING OUR MINING SUPPLY & SERVICES SECTOR

Despite the decline in mining activity across Canada in 2015, there are lots of opportunities to expand local businesses through export development, and to attract international investment in the sector. In 2015, the TEDC formed relationships with 39 businesses in the region, and hosted several international delegations to build partnerships and attract new investment to Timmins. Timmins hosted groups from **INDIA, GREENLAND AND PERU**, sharing opportunities and best practices on mine development, reclamation, training, environmental practices and working with indigenous people.

The TEDC also made recommendations to the province's Mining Supply and Services Export Assistance Program to expand the definition of the types of businesses eligible for this program, known as the "Northern Ontario Exports" program, so that more local firms could take part.

## ESTABLISHING AN INDUSTRIAL RAIL PARK

Rail access was a big factor when Calabrian Corporation first reached out to the TEDC for site options to build an SO<sub>2</sub> plant. The company uses rail to transport its products to clients, and it required suitable access before it could commit to building the plant in Timmins.

The TEDC took on the challenge, and in 2015, project leaders selected a location off Hallnor Road to build a new Industrial Rail Park. The TEDC prepared funding applications requesting \$2.5 million from each of the NOHFC and FedNor to support the construction costs. When completed, the Industrial Rail Park is expected to inspire other manufacturing firms to consider Timmins as the right place to be.



## PROMOTING MORE COLD WEATHER TESTING

The goal of this project is to identify new opportunities, products and processes for cold weather testing. Our cold, crisp winters are actually a competitive advantage that few other cities can match, and the TEDC is focusing its efforts on opportunities where we are best placed to compete.

In 2015, the TEDC gathered extensive weather data from North America and Europe before contacting manufacturers, so project leaders would be able to craft a compelling value proposition for potential clients. Staff contacted all automotive, heavy equipment, recreational vehicle and tire manufacturers, existing cold weather test centres and the Canadian, United States and Swedish military to demonstrate the value in testing their products in Timmins. Recently, Nissan conducted testing in the community, and we plan to continue to build on these efforts over the next three years.



# COMMUNITY ECONOMIC DEVELOPMENT

The Community Economic Development Team focuses on building a stronger community and increasing the quality of life. The staff members help non-profit and charitable organizations, stakeholders, and citizens co-ordinate projects that make the city more attractive to current and future residents.

## KEY PROJECTS HIGHLIGHTED

Establishing Timmins as a Regional Hub

*Making Timmins Age-Friendly*

Attracting an English University

Education

*Growing Our Agriculture Sector*

Building a Northeastern Ontario

Immigration Portal

*Growing the Community Gardens*

*Building Community Capacity: Seminars*

*for Nonprofits*



## ESTABLISHING TIMMINS AS A REGIONAL HUB

The Timmins 2020 Strategic Plan calls for Timmins to better establish itself as a regional hub, and the TEDC has been working on ways to support this goal. It hosts a Regional Hub Steering Committee that examines opportunities to increase amenities and services available in Timmins, and that can also serve the outlying communities. Objectives include helping to improve shopping experiences, diversify and expand local businesses, retain our workforce and attract visitors to the city through beautification and quality of life experiences.

Over the past year, the TEDC assisted with two major projects, including the Culinary Festival and the One Block at a Time Beautification initiative. Unfortunately, the Culinary Festival was cancelled due to limited enrollment. Committee members also developed an action plan to improve the level of local customer service in Timmins, thus improving the shopping experience for visitors and residents alike. In the coming months, the Committee plans to enhance the Hollinger head frame, and to improve the façade of some downtown buildings.



## MAKING TIMMINS AGE-FRIENDLY

Last year, the TEDC partnered with The Venture Centre Community Futures Development Corporation to develop an Age-friendly Strategy for older adults. In the first part of 2016, a Steering Committee representing 17 local organizations oversaw the development of the plan. A consultant hired through a competitive process facilitated public consultations, focus groups, an on-line survey and interviews to gather the public's input on how to make the community more age-friendly. This information, coupled with best practices from other communities, has since been compiled in a strategy with several recommendations around how to improve local quality of life for adult adults.



## ATTRACTING AN ENGLISH UNIVERSITY

The TEDC continues its efforts to attract an English language university in Timmins. This would not only address local demands for English language university programming, but also build Timmins' reputation as a Regional Hub, and diversify the economy by attracting more knowledge workers to the city. A new website, [learnintimmins.ca](http://learnintimmins.ca), encourages education and training providers to post their offerings for continuing education, distance education, and regular degree/ diploma programs.

The site makes it easy for people in our region to learn about the wide range of courses available here. It also includes information on community programming, seminars, conferences, professional certification, and corporate training.

## GROWING OUR AGRICULTURAL SECTOR

The TEDC partners with the Northeast Community Network (NeCN) to expand and protect regional agriculture opportunities that will strengthen our local food industry and system. Our relatively inexpensive cost of land, combined with advances in crop science and husbandry that make it easier to farm in northern climates, make Timmins an ideal choice for farmers.

The TEDC now has a strategic plan aimed at attracting members of the Chicken Farmers of Ontario and the Northern Ontario Meat Industry. It has hosted workshops on “Growing your Farm,” “Environmental Farm Planning,” and “Digging into Farming,” all of which encourage research and development activities for agri-food and product innovation.

The TEDC staff also helped three agricultural business start-ups: Joygrass, G&G Farms and Tasty Treats Eh! They also worked with Rural Agri-Innovation Network (RAIN) in Sault Ste. Marie and Eat Local Sudbury/Thunder Bay to improve tile drainage and land clearing for five different areas in Timmins.





## GROWING THE COMMUNITY GARDENS

The TEDC helped the two community gardens become a sustainable enterprise by finding funding to connect them to the municipal water supply. Until this project, the City of Timmins had been volunteering to truck water to the sites. Permanent water access improves the existing appeal of the 122 garden plots available today, and increases the potential to expand them in the future. As a result of this initiative, the operations of the Community Gardens will be handed over to the local non-profit group, Anti-Hunger Coalition Timmins (ACT). We are grateful to both Ontario Trillium Foundation (OTF) and Glencore Kidd Operations for funding this project.

## BUILDING A NORTHEASTERN ONTARIO IMMIGRATION PORTAL

The TEDC has partnered with the North Bay and Timmins Multicultural Centres to develop a Northeastern Ontario Immigration Portal. This will allow smaller municipalities in the Cochrane and Temiskaming regions to build an internet presence that promotes their communities to newcomers. To date, 29 communities are participating in the project, and we anticipate another 10-15 will join over the next six months.

We've hired a Project Coordinator for an 18 month contract to coordinate the collection of content and photographs, and to work with a web development firm to build and launch the site. After the site is developed, it will be maintained by the North Bay Multicultural Centre. The project aligns with the Timmins 2020 Strategic Plan to promote Timmins as a regional leader, and is fully funded by the Ontario Ministry of Citizenship and Immigration. It also supports our goal to become better established as a Regional Hub.

## BUILDING COMMUNITY CAPACITY: SEMINARS FOR NONPROFITS

The non-profit sector in any city is an essential part of the community's ability to provide a good quality of life for its residents. Part of the TEDC's role is to support this sector and build its capacity, so we can create an environment that is attractive to investors and visitors, as well as residents. The Community Economic Development team and its partners hosted several seminars and workshops aimed at non-profits in 2015, including:

- 10 sessions on how to write "Smart Funding Proposals"
- 1 session on Financial Stewardship for Boards
- 1 workshop on Fundraising for non-profits
- 1 session on Robert's Rules
- 2 courses on "How to run Powerful Meetings"
- 2 courses on Effective Boards
- 3 workshops on Leveraging Social Media / Médias Sociaux
- 1 session on Rédaction de demandes de financements
- 1 workshop on Le Plan D'affaires

# IN THE COMMUNITY

Economic and community development projects are generally large and complex, and require the support and engagement of many partners to be successful. Building and maintaining relationships with individuals and organizations from throughout the community is an important part of our business process. Staff from the Timmins Economic Development Corporation and The Business Enterprise Centre attended events throughout the year to help strengthen their community and regional presence. These outings play an important role when developing partnerships, connections and client relations, and help the organization gain new business interests.

## SPECIAL EVENTS

### **Women in Business (English & Francophone)**

Two Lovers and a Bear Reception

### **Greenland Delegation**

PDAC Frank Iacobucci – “Canada & Aboriginal People-Towards a Relationship”

### **Timmins Chamber of Commerce Events**

NEOnet AGM

### **Nova Awards**

Commerce Management and Group Opening

### **Christine Elliot Event**

The Big Event Mining Show

### **India Delegation**

Small Business Enterprise Centre Day

### **Sprucehill Lodge Glencore wing Grand Opening**

Wabun Golf Tournament & Networking Opportunity

### **Hampton Inn Grand Opening**

Community Gardens Permanent Water Source Announcement

### **Northern Ontario Business Awards**

Welcome to Timmins Night

### **Employment Options Emploi Job Fair**

Ontario Network of Entrepreneurs Conference

### **Therault High School Post-Secondary Fair**

Small Business Week

### **Calabrian Announcement**

Mayor State of the City

### **Investment Mission to China**

Cochrane Funders Forum

### **Kapuskasing Business Awards**

North Ontario Immigration Meet and Greet Presentation

### **Naturallia Natural Resource Development Conference**

Cinefest Sudbury

### **Crop of North Filming Project**

# FINANCIAL STATEMENTS

To the Directors of Timmins Economic Development Corporation:

We have audited the accompanying financial statements of Timmins Economic Development Corporation, which comprise the statement of financial position as at December 31, 2015, and the statements of financial activities, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **OPINION**

In our opinion, these financial statements present fairly, in all material respects, the financial position of Timmins Economic Development Corporation as at December 31, 2015 and the results of its financial activities and the changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting principles.

## **OTHER MATTERS**

The financial statements of Timmins Economic Development Corporation for the year ended 2015 were audited by Ross Pope LLP of Timmins, Canada, prior to its merger with MNP LLP. Ross Pope LLP expressed an unmodified opinion on those statements on 2016.

Timmins, Ontario  
June 2, 2016

**MNP LLP**  
MNP LLP  
Chartered Professional Accountants  
Licensed Public Accountants

# STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31

	2015	2014
<b>FINANCIAL ASSETS</b>		
Due from the City of Timmins	\$ 404,789	\$ 509,441
Accounts receivable	137,413	135,471
<b>TOTAL FINANCIAL ASSETS</b>	<b>542,202</b>	<b>644,912</b>
<b>LIABILITIES</b>		
Accrued vacation payable	6,752	6,752
Deferred revenue	139,166	122,952
<b>TOTAL LIABILITIES</b>	<b>145,918</b>	<b>129,704</b>
<b>NET FINANCIAL ASSETS</b>	<b>396,284</b>	<b>515,208</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule A)	24,899	41,997
<b>ACCUMULATED SURPLUS (Note 7)</b>	<b>\$ 421,183</b>	<b>\$ 557,205</b>

See accompanying notes.

# STATEMENT OF FINANCIAL ACTIVITIES

YEARS ENDED DECEMBER 31

	BUDGET*	2015	2014
<b>REVENUES</b>			
<b>GRANTS</b>	\$	\$	\$
City of Timmins	950,700	<b>950,700</b>	937,850
Province of Ontario	495,300	<b>312,435</b>	282,185
Government of Canada	337,000	<b>141,509</b>	116,510
	1,783,000	<b>1,404,644</b>	1,336,545
<b>OTHER</b>			
Management services and workshops	12,500	<b>9,956</b>	20,813
Miscellaneous	12,400	<b>68,746</b>	15,973
	24,900	<b>78,702</b>	36,786
<b>TOTAL REVENUES</b>	1,807,900	<b>1,483,346</b>	1,373,331
<b>EXPENDITURES</b>			
Administration	187,450	<b>452,024</b>	363,213
Amortization	-	<b>17,098</b>	17,098
Promotion and advertising	66,950	<b>97,545</b>	132,491
Receptions	11,500	<b>18,582</b>	16,432
Salaries and employee benefits	1,593,137	<b>1,034,119</b>	877,470
<b>TOTAL EXPENDITURES</b>	1,859,037	<b>1,619,368</b>	1,406,470
<b>ANNUAL DEFICIT</b>	(51,137)	<b>(136,022)</b>	(33,373)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	-	<b>557,205</b>	590,578
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ (51,137)	<b>\$ 421,183</b>	\$ 557,205

\*Unaudited

See accompanying notes.

# STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

YEARS ENDED DECEMBER 31

	2015	2014
<b>ANNUAL DEFICIT</b>	<b>\$ (136,022)</b>	<b>\$ (33,373)</b>
Acquisition of tangible capital assets	-	(9,744)
Amortization of tangible capital assets	17,098	17,098
	17,098	7,354
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>(118,924)</b>	<b>(26,019)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>515,208</b>	<b>541,227</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 396,284</b>	<b>\$ 515,208</b>

See accompanying notes.

# STATEMENT OF FINANCIAL ACTIVITIES

YEARS ENDED DECEMBER 31

	2015	2015
<b>OPERATING ACTIVITIES</b>		
Annual deficit	\$(136,022)	\$33,373
Items not affecting cash:		
Amortization of tangible capital assets	17,098	17,098
	(118,924)	16,275
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	(1,942)	98,903
Decrease in vacation payable	-	2,828
Increase in due from City of Timmins	104,652	69,736
Increase in deferred revenue	16,214	58,014
	118,924	26,019
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	-	9,744
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets		(9,744)
<b>CASH USED IN CAPITAL TRANSACTIONS</b>	-	9,744
<b>CHANGE IN CASH</b>	-	-
<b>CASH, beginning of year</b>	-	-
<b>CASH, end of year</b>	\$-	\$-

## CASH FLOW SUPPLEMENTARY INFORMATION

The corporation paid no interest during the year.

See accompanying notes.

# NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 3, 2015 & 2014

## 1. NATURE OF OPERATIONS

Timmins Economic Development Corporation (TEDC) was established by letters patent dated June 17, 1983. TEDC is a division of the Corporation of the City of Timmins. TEDC promotes economic development initiatives for the municipality and acts as an agent in the attraction, development and sustenance of businesses, which contribute to the economic, social and general well being of the community.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Timmins Economic Development Corporation are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the corporation are as follows:

### (a) BASIS OF ACCOUNTING

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting.
- (ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

### (b) NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

### (c) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost, which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over the estimated useful lives as follows:

Leasehold improvements	7 years
Communication, IT equipment and software	5 - 10 years
Furniture, fixtures and appliances	5 - 10 years

### (i) CONTRIBUTIONS OF TANGIBLE CAPITAL ASSETS

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also recorded as revenue.

### (ii) LEASES

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

### (d) GOVERNMENT TRANSFERS

Government transfers are transfers from governments that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers are recognized as revenue in the financial statements in the period in which the events giving rise to the transfer occur providing the transfers are authorized, eligibility criteria are met, and reasonable estimates of the amount can be made.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

### **(e) USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian public sector accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. These have been made using careful judgment and in light of information available. Such estimates include the useful life of tangible capital assets and the amortization thereof. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality. Actual results could differ from these estimates.

### **(f) OTHER REVENUES**

Other revenues are recognized in the year that the events giving rise to the expenses occur and there is a legal or contractual obligation to pay.

### **(g) DEFERRED REVENUES**

Revenue received for which the related services have yet to be performed are deferred and recorded as revenue in the year the related expenses are incurred or services performed, as this is the time the eligibility criteria have been met and the revenue is earned.

## **3. CONSOLIDATION**

The figures contained in these financial statements are consolidated into the operations and statements of the Corporation of the City of Timmins.

## **4. ECONOMIC DEPENDENCE**

The continued operations of TEDC are dependent upon its ability to secure financing from the Federal, Provincial and Municipal governments.

## **5. PENSION AGREEMENTS**

TEDC makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan on behalf of all permanent, full-time and qualifying part-time members. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2015 was \$65,788 for current service (2014 - \$64,233) and is included as an expenditure on the Statement of Financial Activities.

## **6. BUDGET FIGURES**

The corporation completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2015 is reflected on the Statement of Financial Activities. The budget established for the Capital Fund is based on a project-oriented basis, the costs of which may be carried out over one or more years.

## 7. ACCUMULATED SURPLUS

Accumulated surplus consists of unrestricted amounts and equity in tangible capital assets as follows:

	2015		2014	
Unrestricted surplus	\$	396,284	\$	515,208
Equity in tangible capital assets (Schedule A)		24,899		41,997
	\$	421,183	\$	557,205

## 8. FINANCIAL INSTRUMENTS

The corporation's financial instruments consist of accounts receivable, due from the City of Timmins and accrued vacation payable. Unless otherwise noted, it is management's opinion that the corporation is not exposed to significant interest, currency, liquidity, market, other price or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

## 9. COMMITMENTS

The corporation is committed to a real estate lease for its office premises. The lease term is for 5 years plus a two year renewal option. The minimum annual lease commitment is \$34,744 per year. The lease is to expire in August 2017.



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The **TIMMINS ECONOMIC DEVELOPMENT CORPORATION** supports economic diversification by not only helping businesses and organizations establish themselves and grow, but also by building a more positive community environment. The TEDC provides expert advice to entrepreneurs and organizations who want to take advantage of the many opportunities and resources available in Timmins. It has two working teams – business development and community development. The skilled staff can help entrepreneurs and organizations at all stages of the business cycle, whether they are looking for resources to start, grow or expand.

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