



# 2017 ANNUAL REPORT

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Photo courtesy of David Fong Photography

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# OBJECTIVES

## MISSION

We advance community economic development in Timmins and the region by attracting and supporting businesses and organizations.

## VISION

Timmins is a thriving Northern city with an enviable quality of life and diversified economy.

## VALUES

Our organization is committed to the following values:

### **Accountability**

We conduct business in a cost-efficient, transparent and sustainable manner.

### **Communication**

We engage meaningfully and regularly with both external and internal stakeholders.

### **Empowerment**

We build capacity within our clients, team members and Board by providing them with the skills and knowledge to accomplish goals within the framework of our mission.

### **Inclusivity**

We respect diversity and work with a variety of stakeholders to build meaningful partnerships.

### **Innovation**

We encourage creative thinking, and embrace change that supports our vision and the goals of clients and our stakeholders.

# MEMBERS

## BOARD OF DIRECTORS

### EXECUTIVE

Dr. Fred Gibbons, Chair  
Mayor Steve Black, Vice Chair  
Joel Bergeron, Treasurer

### DIRECTORS

Councillor Pat Bamford  
Councillor Joe Campbell  
Councillor Walter Wawrzaszek  
Terry DiTullio  
Sue Millson  
Georges Quirion  
Steve Badenhorst  
Jamie Clarke  
Nancy Mageau  
George Pirie  
Jennifer Landers

## STAFF

### CEO

Christy Marinig

### BUSINESS DEVELOPMENT AND RETENTION

Brenda Camirand, Director  
Ross MacDonald, Business Development Specialist  
Stéphane Gallant, Business Development Specialist  
Julie Durocher, Business Development Consultant  
Sylvie McPhail, Business Development Consultant  
Brittany Mohns, Entrepreneurship Program Coordinator

### COMMUNITY ECONOMIC DEVELOPMENT

Dr. Maggie Matear, Director  
Antoine Vézina, Community Development Consultant  
James Parisi, Research Coordinator

### PROJECT COORDINATORS

Jon Belanger, Mining Supply, Trade & Investment  
Sylvie McPhail, Productivity and Innovation Centre

### COMMUNICATIONS

Paige Thompson, Communications Intern  
Kelsey Luxton, Communications Coordinator

# LETTER FROM THE CHAIR AND CEO

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On behalf of the Timmins Economic Development Corporation Board and staff, we are pleased to present our 2017 Annual Report. This document summarizes selected accomplishments and activities during the 2016-17 fiscal year.

The Business Development and Retention team continued to offer the Starter Company Plus and Summer Company Programs. These have succeeded in providing entrepreneurs with the knowledge they need to start and operate their businesses. We also continued to work on the Mining Supply and Trade Investment project and offered Productivity Assessments to firms located in our region.

The Community Economic Development team secured funding for the Living Space project, which provides overnight shelter, a drop-in resource centre and a transitional housing block. We also worked with the City's Parks and Recreation and Tourism departments to access funding for wayfinding signage to help visitors find key locations in the community.

We are grateful for the support of dozens of local and regional partners who have helped us advance projects that diversify our economy and improve quality of life in Timmins. We recognize the tremendous value in the productive working relationships we have established.

We would like to thank the City of Timmins Council, and federal and provincial funding partners for their continued support. Without them we would not be able to provide services that help our economy and community flourish. We look forward to working with our stakeholders and colleagues in the New Year.



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**Fred Gibbons**  
Chair



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**Christy Marinig**  
CEO

# METRICS

## DOLLARS LEVERAGED

Community Economic Development Projects	\$782,024
Business Development and Retention Projects	\$1,552,095
Business Enterprise Centre Clients	\$696,371
<b>Total</b>	<b>\$3,030,490</b>

## CLIENT CONSULTATIONS

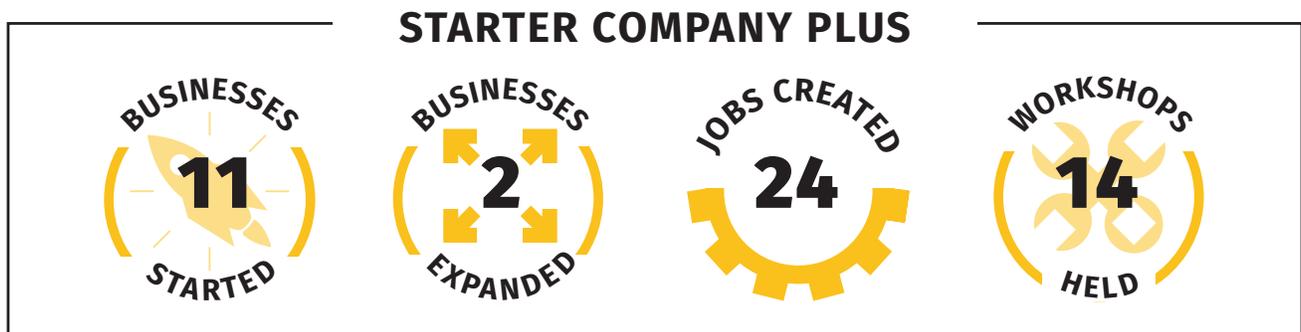


IN 2017, THE COMMUNITY GAINED **\$3** FOR EVERY DOLLAR  
THE CITY INVESTS IN THE TEDC.

# BUSINESS ENTERPRISE CENTRE HIGHLIGHTS

## Starter Company *plus*

Starter Company Plus provides Ontario residents over the age of 18 with the opportunity to start, expand or buy a business. Successful applicants are eligible to receive up to \$5000 in grant funding to support their venture.



## Summer Company

Summer Company provides students aged 15-29 with training, a mentor and up to \$3,000 to start and run their own summer business. Students gain first-hand experience and are encouraged to consider entrepreneurship as a viable career option.

Students attended a training session and learned about marketing, social media, customer service and how to pitch their business. **Six students** successfully completed the program and **\$18,000** in start-up funding was distributed throughout the region.

## CAPACITY BUILDING WORKSHOPS

Some of the workshops the Business Enterprise Centre and the TEDC offered in 2017 include:

- Value in Good Bookkeeping: Quickbooks and Sage 50
- Board Capacity Building
- How to Build a Logic Model
- Soil Health Matters
- Women in Business: International Women's Day with Barb Stegemann
- Instagram for Business
- Insurance Benefits and Considerations for Small Business
- 13 Ways to Kill a Community

# SELECTED BUSINESS DEVELOPMENT AND RETENTION PROJECTS

## PRODUCTIVITY AND INNOVATION CENTRE (PIC)

The PIC project, led by the TEDC, will continue working with businesses and organizations to deliver its Productivity Assessment and Implementation (PAI) program. PAI helped 31 businesses and 8 regional entities with innovation projects last year. Businesses and entrepreneurs seeking to commercialize a product or process can get support for research and design, applied research, and implementation projects.

Small to medium-sized enterprise investment

\$130,500

Government dollars leveraged by clients from other sources

\$136,000



Photo courtesy of Graeme Oxby



# SELECTED BUSINESS DEVELOPMENT AND RETENTION PROJECTS CONTINUED

## MINING SUPPLY AND TRADE INVESTMENT (MSTIP)

MSTIP generates foreign investment leads to strengthen and expand the existing mining supply and industrial minerals sectors. In 2017, the TEDC ran an advertising campaign in four international mining publications, visited 19 businesses in the region and responded to 36 requests for information.

- Engaged 19 regional businesses.
- Addressed 36 requests for information from interested firms.
- Attended 4 international mining supply conventions to promote our region.
- Ran advertising campaign in 4 international mining publications.
- Participated in northern Ontario mining supply gap analysis.

## NORTHERN ONTARIO EXPORTS

TEDC's Business Development Team delivers the NOE program (previously the Mining Supply and Service Export Assistance program) on behalf of Ontario's North Economic Development Corporation (ONEDC) Since 2011, this program has helped our mining supply and service companies expand their marketing reach and grow their customer base outside Ontario. Businesses can take advantage of three types of assistance: Strategic Export Marketing (SEMP), Customer Service Training, and the Export Marketing Assistance (EMA).

- Secured \$2.37M from Fednor, NOHFC, ONEDC, and other public and private sector funds.
- Supported creation of 8 jobs, maintenance of 17 jobs.
- 5 firms accessed EMA, resulting in nearly \$100,000 of funding support leveraged.
- 3 firms accessed SEMP's one-on-one consultations to develop export marketing strategies.
- 2 firms accessed the Customer Service Training program for internal team development.

# SELECTED COMMUNITY ECONOMIC DEVELOPMENT PROJECTS

## NORONT RESOURCES PROPOSAL DEVELOPMENT

In 2017, Timmins was one of four communities in the running for the Noront Ferrochrome production facility (FPF). The TEDC worked with local engineering firm, Porcupine Engineering Services, ONTC and Glencore to compile information outlined in the Request for Proposal. The TEDC developed a framework for the document, researched and analyzed data, worked with partners to secure support for the project, and developed the proposal layout and content.

Construction of the \$1-billion smelter would begin in the next 5-10 years and would employ between 300-500 people. The TEDC is in regular contact with Noront's leadership team and together with the Mayor and city staff, continues to provide Noront with information as they request it.

## LIVING SPACE PARTNERSHIP

The TEDC was a founding partner of Living Space, a project to end homelessness in Timmins. Led by the CDSSAB and the CMHA, Living Space coordinates and re-aligns services and volunteer efforts to better serve people who are homeless or at risk. In 2017, the Living Space shelter on Cedar Street opened. It provides overnight shelter, a drop-in resource centre and a transitional housing block. The TEDC helped by writing funding proposals that secured more than half a million dollars from Employment and Social Development Canada and the Ontario Trillium Foundation to renovate the building. The TEDC also serves on the Steering Committee. Other founding partners include the Social Planning Council, Timmins Police, South Cochrane Addictions and the Timmins Native Friendship Centre.

## WAYFINDING SIGNAGE PROJECT

The TEDC worked with Tourism Timmins to establish a wayfinding signage strategy for the City. This project builds on the Timmins 2020 Strategic Plan and Tourism Master Plan recommendations to facilitate visitor access to amenities. Other partners include the Timmins Museum, Chamber of Commerce, the Venture Centre, City of Timmins and the Timmins Public Library. The bilingual signs will align with Timmins' "I'm In" community brand. Destination Northern Ontario and FedNor have contributed \$40,000 towards this project so far.

# 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, 2017, 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, 2017 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.



MNP LLP

Chartered Professional Accountants  
Licensed Public Accountants

Timmins, Ontario  
June 19, 2018

## Statement of Financial Position

As at December 31

	2017	2016
<b>Financial Assets</b>		
Due from the City of Timmins	\$131,260	\$320,442
Accounts Receivable	\$145,703	\$161,565
<b>Total Financial Assets</b>	<b>\$276,963</b>	<b>\$482,007</b>
<b>Liabilities</b>		
Accrued vacation payable	\$25,306	\$24,608
Deferred revenue	\$105,606	\$161,690
<b>Total Liabilities</b>	<b>\$130,912</b>	<b>\$186,298</b>
<b>Net Financial Assets</b>	<b>\$146,051</b>	<b>\$295,709</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule A)	\$289,234	\$24,666
Accumulated Surplus (Note 7)	\$435,285	\$320,375

## Statement of Financial Activities

Years ended December 31

	Budget	2017	2016
<b>Revenues</b>			
<b>Grants</b>			
City of Timmins	\$1,216,950	\$1,216,950	\$1,005,600
Province of Ontario	\$409,500	\$465,193	\$594,459
Government of Canada	\$10,300	\$200,296	\$194,672
	\$1,729,450	\$1,882,439	\$1,794,731
<b>Other</b>			
Management services and workshops	\$12,000	\$10,405	\$11,686
Miscellaneous	\$418,600	\$56,887	\$142,955
	\$430,600	\$67,292	\$154,641
<b>Total Revenues</b>	<b>\$2,160,050</b>	<b>\$1,949,731</b>	<b>\$1,949,372</b>
<b>Expenditures</b>			
Administration	\$926,700	\$563,282	\$748,237
Amortization	\$12,939	\$12,939	\$17,098
Promotion and advertising	\$81,650	\$66,178	\$71,840
Receptions	\$11,500	\$8,696	\$15,754
Salaries and employee benefits	\$1,115,700	\$1,183,726	\$1,197,247
<b>Total Expenditures</b>	<b>\$2,148,489</b>	<b>\$1,834,821</b>	<b>\$2,050,176</b>
Annual Surplus (Deficit)	\$11,561	\$114,910	\$(100,804)
Accumulated Surplus, Beginning of year -		\$320,375	\$421,179
Accumulated Surplus, End of year	\$11,561	\$435,285	\$320,375

Change in Net Financial Assets			
Years ended December 31			
		2017	2016
Annual Surplus (Deficit)	\$11,561	\$114,910	\$(100,804)
Acquisition of tangible capital assets	-	\$(277,507)	\$(16,865)
Amortization of tangible capital assets	-	\$12,939	\$17,098
	-	\$264,568	\$233
Change in net financial assets	\$11,561	\$(149,658)	\$(100,571)
Net financial assets, beginning of year	\$295,709	\$295,709	\$396,280
Net financial assets, end of year	\$307,270	\$146,051	\$295,709

Statement of Cash Flows		
Years ended December 31		
	2017	2016
Operating Activities		
Annual surplus (deficit)	\$114,910	\$(100,804)
Items not affecting cash:		
Amortization of tangible capital assets	\$12,939	\$17,098
	\$127,849	\$83,706
Change in non-cash working capital:		
Increase in accounts receivable	\$15,862	\$(24,152)
Decrease in due from City of Timmins	\$189,182	\$84,347
Increase in accounts payable	\$698	\$17,852
Increase (decrease) in deferred revenue	\$(56,084)	\$22,524
	\$149,658	\$100,571
Cash provided by operating activities	\$277,507	\$16,865
Capital Transactions		
Acquisition of tangible capital assets	\$(277,507)	\$16,865
Cash used in capital transactions	\$(277,507)	\$16,865
Change in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	-	-

# STATEMENT OF FINANCIAL POSITION

## 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	34 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.

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

### **(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.

### **(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 multiemployer 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 2017 was \$88,902 for current service (2016 - \$83,168) 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 2017 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. The budget adopted by the Board on November 1, 2016 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards requires a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues is \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and changes in net financial assets represent the budget adopted by the Board on November 1, 2016 with adjustments as follows:

Notes to Financial Statements	
Budget Figures	
	2017
Financial plan (budget surplus for the year)	-
Add:	
Capital expenditures	\$379,500
Less:	
Budgeted transfers from accumulated surplus	\$355,000
Amortization	\$12,939
Budget surplus per statement of operations	\$11,561

## 7. ACCUMULATED SURPLUS

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

Notes to Financial Statements		
Accumulated Surplus		
	2017	2016
Unrestricted Surplus	\$102,351	\$295,709
Amount restricted for future use by the Board motion	\$43,700	-
Equity in tangible capital assets (Schedule A)	\$289,234	\$24,666
	\$435,285	\$320,375

## 8. INTERNALLY RESTRICTED SURPLUS

Restricted amounts are made up of the following:

Notes to Financial Statements	
Internally restricted surplus	
	2017 2016
Data Storage/Exploration Resolution project	\$437,000 -

## 9. FINANCIAL INSTRUMENTS

The corporation's financial instruments consist of accounts receivable, due from the City of Timmins and accounts 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.

Schedule of Tangible Capital Assets						
Years Ended December 31						
	Leasehold Improvements	Furniture, fixtures and appliances	Computer systems	Machinery and equipment	2017	2016
<b>Cost</b>						
Balance, beginning of year	\$116,084	\$9,744	\$9,754 -	\$135,582	\$118,717	
Acquisition of tangible capital assets	\$286,416 -	-	-	\$7,956	\$294,372 -	
Construction-in-progress	\$(16,865) -	-	-	\$(16,865)	\$16,865	
Write down of tangible capital assets	\$(99,219) -	-	-	\$(99,219)	-	
Balance, end of year	\$286,416	\$9,744	\$9,754	\$7,956	\$313,870	\$135,582
<b>Accumulated amortization</b>						
Balance, beginning of year	\$99,219	\$5,846	\$5,851 -	\$110,916	\$93,818	
Amortization	\$8,424	\$1,949	\$975	\$1,591	\$12,939	\$17,098
Disposals and write downs	\$(99,219) -	-	-	\$(99,219)	-	
Balance, end of year	\$8,424	\$7,795	\$6,826	\$1,591	\$24,636	\$110,916
Net book value of tangible capital assets	\$277,992	\$1,949	\$2,928	\$6,365	\$289,234	\$24,666
2016 net book value of tangible capital assets	\$16,867	\$3,897	\$3,902 -	-	-	\$24,666



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TimminsEDC