



CDE
Timmins
EDC

2019 Annual Report



Contents

2. Objectives
3. Board of Directors
4. Staff
5. Letter from the Chair and CEO
6. Metrics
7. Business Enterprise Centre Highlights
8. Business Development and Retention Highlights
9. Community Economic Development Highlights
10. Financial Statements

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

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.

Board

Executive

Dr. Fred Gibbons, Chair
Mayor George Pirie, Vice Chair
Joel Bergeron, Treasurer
Terry DiTullio, Member at Large
Georges Quirion, Member at Large

Directors

Councillor Joe Campbell
Pat Chilton
Kraymr Grenke
Dave Landers
Jennifer Landers
Tom Laughren
Ian Martin
Councillor Kristin Murray
Val Venneri
Melanie Verreault

Staff



Christy Marinig
CEO



Brenda Camirand
Director of Business
Development & Retention



Maggie Matear
Director of Community
Economic Development



Antoine Vezina
Community Development
Specialist/Director of Community
Economic Development



Ross MacDonald
Business Development
Specialist



Sylvie McPhail
PIC Programs Manager



Brittany Bernard
Business Development
Specialist



Jeremy Elomaa
Business Development
Specialist



Madison Mizzau
Community
Development
Consultant



Chantal Ouellette
Business Development
Consultant



James Parisi
Research Coordinator



Kelsey Luxton
Communications
Coordinator



Jessica West
Recruitment and
Retention Strategies
Coordinator

Not pictured:

Natasha Chalwell
Social Entrepreneurship
Event Coordinator

Letter from the Chair and CEO

On behalf of the Timmins Economic Development Corporation Board and staff, we are pleased to present our 2019 Annual Report. This document highlights selected achievements and activities during the 2019 fiscal year.

The Starter Company Plus and Summer Company programs continue to build capacity in the entrepreneurial community with impressive results. We helped Timmins become one of 11 communities across Canada to participate in an immigration pilot program. We also increased our attractiveness to immigrants and newcomers, secured funding for several businesses and not-for-profits, and helped local firms access new markets.

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 the 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.



A handwritten signature in black ink, appearing to read 'Fred Gibbons'.

Dr. Fred Gibbons
Chair



A handwritten signature in black ink, appearing to read 'Christy Marinig'.

Christy Marinig
CEO

Metrics

In 2019, the community gained **\$7.01** for every dollar the city invested in the TEDC.

Dollars Leveraged

Community Economic Development Projects	\$1,354,470
Business Development and Retention Projects	\$1,863,150
Business Enterprise Centre Clients	\$5,533,137
Total	\$8,750,757

Client Consultations



New Client Consultations



Repeat Client Consultations



Total Client Consultations

Jobs



New Jobs Supported

Media



Earned Media

Business Enterprise Centre Highlights

Starter Company Plus

Entrepreneurs 18+ receive training to start, expand or buy a business. Successful applicants are eligible to receive up to \$5000 to support their venture.



16

Businesses **Started**



6

Businesses **Expanded**



37

Jobs **Created**

Summer Company

Students aged 15-29 receive training, mentorship and up to \$3,000 to start and run a summer business. Students gain first-hand experience and are encouraged to consider entrepreneurship as a viable career option.



6

Number of **Students**



\$18k

Start-up **Funding**

Business Development and Retention Projects

Productivity and Innovation Centre (PIC)

The PIC continued to work with regional business organizations to strengthen the innovation ecosystem and build capacity for entrepreneurs and small and medium-sized enterprises (SMEs). We hosted investor pitch events with the Northern Ontario Angels, and offered workshops on cybersecurity and innovation. The PIC also supported the Northern College Innovation Hub's Entrepreneurship Competition and mentored high school and post-secondary students on developing a business pitch. The PIC submitted an application to FedNor to fund a three-year project with new programming and services.



Businesses **Modernized**



Jobs **Created**



Products and Processes
Commercialized

Industrial and Technological Benefits (ITB)

ITB is a pan northern project of the Ontario's North Economic Development Corporation (ONEDC). The project helps prepare local businesses to enter and bid on contracts within the defense sector by providing flow-through funding to targeted small to medium-sized enterprises (SMEs). This funding supports activities including ISO compliance/certification and controlled goods certification, which positions SMEs for prime defense contracts.

This three year project, which rolled out in December 2019, is supported by Fednor and NOHFC. TEDC staff work closely with the Project Manager and Coordinator based out of Sault Ste. Marie. Together, we ensure that local companies access the programming which can help them diversify and explore a new market.

Community Economic Development Highlights

Rural and Northern Immigration Pilot Project

Declining population and an increasing shortage of labour in Timmins have spurred efforts to attract and retain residents. In 2019, the TEDC was one of 11 communities across Canada awarded a place in the Rural and Northern Immigration Pilot project. The TEDC successfully secured funding from the NOHFC's Northern Ontario Internship Program to hire an Immigration Support Officer.

The pilot will address labour force shortages and skills gaps by creating a path to permanent residence for skilled foreign workers and will bring approximately 100 newcomers plus their family members to Timmins. The TEDC leads the project with support from over a dozen partners.

Agri-Food and Beverages

Through the TEDC's involvement with the Northeast Community Network (NeCN), we work with municipal partners and economic development organizations across the northeast to build, promote and sustain local agri-food and beverage development.

In 2019, the TEDC applied for \$1M funding and was approved for \$699,953 from NOHFC for the NeCN's Tile Drainage Project #6. NeCN worked with a Bay Street lobbying firm to secure funding for a detailed business plan for the Ontario Claybelt Development Corporation to identify large continuous Crown Land parcels in the Northern Claybelt.

Social Enterprise and Entrepreneurship

Social Enterprises are businesses with social or environmental objectives. They are sustainable enterprises that generate income opportunities to meet basic needs of underrepresented groups and solve community problems.

With support from the Nordik Institute, the TEDC hired a Social Entrepreneurship Event Coordinator and partnered with Social Enterprise and Entrepreneurship to host the *Social Enterprise Round Table* with Keynote Speaker Barb Stegemann.

Financial Statements

Management's Responsibility for Financial Reporting

To the Directors of Timmins Economic Development Corporation

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 public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

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

The Board of Directors is composed primarily of Directors who are neither management nor employees of the 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 fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, internal auditors, 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.

Timmins Economic Development Corporation



Christy Marinig, CEO

Independent Auditor's Report

To the Directors of Timmins Economic Development Corporation

Opinion

We have audited the financial statements of Timmins Economic Development Corporation, which comprise the statement of financial position as at December 31, 2019, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the TEDC as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the TEDC in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, 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.

In preparing the financial statements, management is responsible for assessing the TEDC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the TEDC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the TEDC's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 TEDC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the TEDC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the TEDC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Timmins, Ontario
July 21, 2020

MNP LLP

MNP LLP
Chartered Professional
Accountants Licensed Public
Accountants

MNP
LLP

Statement of Financial Position as at Dec 31

	2019	2018
Due from the City of Timmins	\$590,564	\$348,849
Accounts Receivable	\$48,930	\$85,751
Total Financial Assets	\$639,494	\$434,600
Liabilities		
Accounts Payable and accrued liabilities	\$68,284	\$10,248
Deferred revenue	\$202,550	\$161,853
Total Liabilities	\$270,834	\$172,101
Net Financial Assets	\$368,660	\$262,499
Non-financial Assets		
Tangible capital assets (Schedule A)	\$265,303	\$276,295
Accumulated Surplus (Note 7)	\$663,963	\$538,794

See Accompanying Notes

Statement of Operations Years Ended Dec 31

	Budget	2019	2018
Revenues			
Grants			
City of Timmins	\$1,317,868	\$1,258,018	\$1,240,350
Province of Ontario	\$155,000	\$174,728	\$249,988
Government of Canada	\$236,500	\$226,583	\$150,014
	\$1,709,368	\$1,659,329	\$1,640,355
Other			
Management services and workshops	\$13,500	\$10,043	\$11,300
Miscellaneous	\$8,000	\$30,921	\$84,849
	\$21,500	\$40,964	\$96,149
Total revenues	\$1,730,868	\$1,700,293	\$1,736,504
Expenditures			
Administration	\$384,968	\$383,741	\$418,282
Amortization	\$12,939	\$10,991	\$12,939
Promotion and advertising	\$66,200	\$92,725	\$75,283
Receptions	\$12,500	\$6,206	\$12,697
Salaries and employee benefits	\$1,262,700	\$1,111,461	\$1,113,794
Total Expenditures	\$1,739,307	\$1,605,124	\$1,632,995
Annual Surplus (Deficit)	\$(8,439)	\$95,169	\$103,509
Accumulated Surplus, Beginning of year	-	\$538,794	\$435,285
Accumulated Surplus, End of Year	\$(8,439)	\$633,963	\$538,794

Statement of Change in Net Financial Assets Years Ended Dec 31

		2019	2018
Annual Surplus (Deficit)	\$(8,439)	\$95,169	\$103,509
Amortization of tangible capital assets	\$10,992	\$10,992	\$12,939
Change in net financial assets	\$2,553	\$106,161	\$116,448
Net Financial Assets, Beginning of Year	\$262,499	\$262,499	\$146,051
Net Financial Assets, End of Year	\$265,052	\$368,660	\$262,499

See Accompanying Notes

Statement of Cash Flows Years Ended December 31

	2019	2018
Operating Activities		
Annual Surplus	\$95,169	\$103,509
Items not affecting cash:		
Amortization of tangible capital assets	\$10,991	\$12,939
	\$106,160	\$116,448
Change in non-cash working capital		
Decrease in accounts receivable	\$36,821	\$59,952
Decrease (increase) in due from City of Timmins	\$(241,715)	\$(217,589)
Increase (decrease) in accounts payable	\$58,037	\$(15,058)
Increase (decrease) in deferred revenue	\$40,697	\$56,247
	\$(106,160)	\$116,448
Change in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	-	-

Notes to the Financial Statements

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 TEDC 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
Machinery and equipment	10-20 years
Computer systems	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) REVENUE RECOGNITION

Funding revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the balance sheet in the year of receipt.

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.

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.

(e) MEASUREMENT UNCERTAINTY (USE OF ESTIMATES)

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Accounts payable are based on historical accruals.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

(f) 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.

(g) FINANCIAL INSTRUMENTS

TEDC recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 Related Party Transactions

At initial recognition, the TEDC may irrevocably elect to subsequently measure any financial instrument at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

(h) LONG-LIVED ASSETS AND DISCONTINUED OPERATIONS

Long-lived assets consist of leasehold improvements and office equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the TEDC determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

3. CONSOLIDATION

The figures contained in these financial statements are consolidated into the operations and financial 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 2019 was \$90,651 for current service (2018 - \$88,902) 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 2019 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 for 2019 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). 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 for 2019 with adjustments as follows:

	2019
Financial plan (budget) deficit for the year	\$2,553
Less:	
Amortization	\$(10,992)
Budget deficit per statement of operations	\$(8,439)

7. Accumulated Surplus

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

	2019	2018
Unrestricted surplus	\$368,660	\$262,499
Amount restricted for future use by Board motion (Schedule A)	\$265,303	\$276,295
	\$633,963	\$538,794

8. 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.

9. SUBSEQUENT EVENTS

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on TEDC as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Corporation's business and financial condition.

Schedule of Tangible Capital Assets Years Ended Dec 31

	Leasehold Improvements	Furniture, fixtures and appliances	Computer systems	Machinery and equipment	2019	2018
Cost:						
Balance beginning of year	\$286,416	\$9,744	\$9,754	\$7,956	\$313,870	\$313,870
Balance, end of year	\$286,416	\$9,744	\$9,754	\$7,956	\$313,870	\$313,870
Accumulated amortization						
Balance, beginning of year	\$16,848	\$9,744	\$7,803	\$3,181	\$37,576	\$24,636
Amortization	\$8,424	-	\$975	\$1,592	\$10,991	\$12,939
Balance, end of year	\$25,272	\$9,744	\$8,778	\$4,773	\$48,567	\$37,575
Net book value of tangible capital assets	\$261,144	-	\$976	\$3,183	\$265,303	\$276,295
2018 Net book value of tangible capital assets	\$269,568	-	\$1,951	\$4,776	-	\$276,295

See Accompanying Notes

TIMMINSEDC.COM

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