

Consolidated Financial Statements of

**THE CORPORATION OF THE  
CITY OF TIMMINS**

Year ended December 31, 2021

# THE CORPORATION OF THE CITY OF TIMMINS

Consolidated Financial Statements

Year ended December 31, 2021

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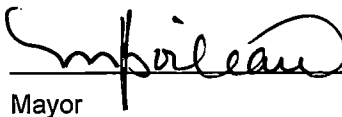
### **Management's Responsibility for the Consolidated Financial Statements**

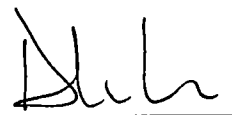
The accompanying consolidated financial statements of The Corporation of the City of Timmins (the "City") are the responsibility of the City's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the City. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the City's consolidated financial statements.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Chief Administration Officer



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## INDEPENDENT AUDITORS' REPORT

To the Members of Council, residents, and ratepayers of The Corporation of the City of Timmins

### *Opinion*

We have audited the consolidated financial statements of The Corporation of the City of Timmins (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations and accumulated surplus, its changes in net debt 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 responsibility under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada and we have fulfilled our other 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.



### ***Other Matter – Comparative Information***

The consolidated financial statements of The Corporation of the City of Timmins for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on September 14, 2021.

### ***Responsibility of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations or has no realistic alternative but to do so.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the consolidated 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 risk of material misstatement of the consolidated 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.



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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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity'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 the events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

December 6, 2022

# THE CORPORATION OF THE CITY OF TIMMINS

## Consolidated Statement of Financial Position

December 31, 2021, with comparative information for 2020

|  | 2021               | 2020               |
|--|--------------------|--------------------|
| <b>Financial assets</b>                              |                    |                    |
| Cash and cash equivalents                            | \$ 30,281,469      | \$ 18,034,725      |
| Accounts receivable (note 7)                         | 13,595,474         | 14,204,264         |
| Taxes receivable (note 8)                            | 6,855,127          | 9,366,394          |
| Loan receivable (note 9)                             | 6,162,115          | 6,490,443          |
| Inventory for resale                                 | 16,632             | 13,895             |
|  | <u>56,910,817</u>  | <u>48,109,721</u>  |
| <b>Financial liabilities</b>                         |                    |                    |
| Accounts payable and accrued liabilities (note 11)   | 17,330,040         | 13,860,196         |
| Deferred revenue                                     | 4,442,487          | 2,413,673          |
| Deferred revenue - obligatory reserve fund (note 12) | 12,534,954         | 7,985,734          |
| Long-term liabilities (note 13)                      | 43,817,274         | 46,232,919         |
| Post employment benefit liability (note 15)          | 16,911,100         | 15,858,500         |
| Landfill closure liabilities (note 16)               | 4,484,721          | 12,727,983         |
|  | <u>99,520,576</u>  | <u>99,079,005</u>  |
| Net debt   | (42,609,759)       | (50,969,284)       |
| <b>Non-financial assets</b>                          |                    |                    |
| Tangible capital assets (note 17)                    | 353,844,827        | 335,206,278        |
| Inventories  | 2,166,192          | 2,066,355          |
| Prepaid expenditures                                 | 620,678            | 730,787            |
|  | <u>356,631,697</u> | <u>338,003,420</u> |
| Commitments (note 20)                                |                    |                    |
| Contingencies (note 21)                              |                    |                    |
| Accumulated surplus (note 19)                        | \$ 314,021,938     | \$ 287,034,136     |

The accompanying notes are an integral part of these consolidated financial statements.

# THE CORPORATION OF THE CITY OF TIMMINS

## Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

|  | Budget<br>2021<br>(note 22) | Actual<br>2021 | Actual<br>2020 |
|--|-----------------------------|----------------|----------------|
| Revenues:                                      |                             |                |                |
| Taxation revenue                               | \$ 75,537,985               | \$ 76,134,930  | \$ 74,049,183  |
| User charges and sale of goods                 | 39,249,116                  | 37,138,014     | 35,721,697     |
| Government transfers                           | 29,201,544                  | 34,056,975     | 31,736,842     |
| Investment income                              | 201,500                     | 571,594        | 610,099        |
| Penalties and interest on taxes                | 750,000                     | 1,393,053      | 567,561        |
| Licenses and permits                           | 1,049,350                   | 792,201        | 725,818        |
| Gain (loss) on sale of tangible capital assets | -                           | (99,051)       | 103,253        |
| Other  | 912,500                     | 3,233,808      | 2,351,631      |
|  | 146,901,995                 | 153,221,524    | 145,866,084    |
| Expenses (note 26):                            |                             |                |                |
| General government                             | 9,579,380                   | 12,224,012     | 10,703,177     |
| Protection to persons and property             | 26,436,364                  | 27,629,990     | 26,546,336     |
| Transportation services                        | 24,547,918                  | 28,111,698     | 29,601,073     |
| Environmental services                         | 19,549,775                  | 28,172,617     | 30,078,585     |
| Health, social and family services             | 30,218,489                  | 31,759,739     | 31,455,662     |
| Recreational and cultural services             | 9,114,457                   | 8,861,745      | 8,832,807      |
| Planning and development                       | 5,604,303                   | 4,452,213      | 3,734,738      |
|  | 125,050,686                 | 141,212,014    | 140,952,378    |
| Annual surplus before the undernoted           | 21,851,309                  | 12,009,510     | 4,913,706      |
| Landfill closure liability recovery (expense)  | -                           | 8,243,262      | (1,328,598)    |
| Government transfers for capital               | 5,647,725                   | 6,735,030      | 4,897,684      |
| Annual surplus                                 | 27,499,034                  | 26,987,802     | 8,482,792      |
| Accumulated surplus, beginning of year         | 287,034,136                 | 287,034,136    | 278,551,344    |
| Accumulated surplus, end of year               | \$ 314,533,170              | \$ 314,021,938 | \$ 287,034,136 |

The accompanying notes are an integral part of these consolidated financial statements.



# THE CORPORATION OF THE CITY OF TIMMINS

## Consolidated Statement of Changes in Net Debt

Year ended December 31, 2021, with comparative information for 2020

|  | Budget<br>2021<br>(note 22) | Actual<br>2021  | Actual<br>2020  |
|--|-----------------------------|-----------------|-----------------|
| Annual surplus                                 | \$ 27,499,034               | \$ 26,987,802   | \$ 8,482,792    |
| Acquisition of tangible capital assets         | (26,738,200)                | (35,380,078)    | (47,150,636)    |
| Change in construction in progress             | -                           | (790,327)       | 22,429,357      |
| Amortization of tangible capital assets        | 17,243,873                  | 17,243,873      | 17,059,188      |
| Loss (gain) on sale of tangible capital assets | -                           | 99,051          | (103,253)       |
| Proceeds on sale of tangible capital assets    | -                           | 188,932         | 289,201         |
|  | 18,004,707                  | 8,349,253       | (7,476,143)     |
| Acquisition of inventory                       | -                           | (99,837)        | (724,620)       |
| Use (acquisition) of prepaid expenses          | -                           | 110,109         | (173,984)       |
|  | -                           | 10,272          | (898,604)       |
| Change in net debt                             | 18,004,707                  | 8,359,525       | 108,045         |
| Net debt, beginning of year                    | (50,969,284)                | (50,969,284)    | (51,077,329)    |
| Net debt, end of year                          | \$ (32,964,577)             | \$ (42,609,759) | \$ (50,969,284) |

The accompanying notes are an integral part of these consolidated financial statements.

# THE CORPORATION OF THE CITY OF TIMMINS

## Consolidated Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

|   | 2021          | 2020          |
|---|---------------|---------------|
| Cash provided by (used in):                                     |               |               |
| Operating activities:   |               |               |
| Annual surplus  | \$ 26,987,802 | \$ 8,482,792  |
| Items not involving cash:                                       |               |               |
| Amortization of tangible capital assets                         | 17,243,873    | 17,059,188    |
| Loss (gain) on sale of tangible capital assets                  | 99,051        | (103,253)     |
| Change in construction in progress                              | (790,327)     | 22,429,357    |
| Change in landfill closure and post-closure liability           | (8,243,262)   | 1,328,598     |
|   | 35,297,137    | 49,196,682    |
| Change in non-cash assets and liabilities:                      |               |               |
| Decrease (increase) in accounts receivable                      | 608,790       | (3,413,329)   |
| Decrease (increase) in taxes receivable                         | 2,511,267     | (73,443)      |
| Decrease in loan receivable                                     | 328,328       | 312,325       |
| Increase in inventory for resale                                | (2,737)       | (1,358)       |
| Decrease (increase) in prepaid expenditures and inventory       | 10,272        | (898,609)     |
| Increase (decrease) in accounts payable and accrued liabilities | 3,469,844     | (4,532,866)   |
| Increase (decrease) in deferred revenue                         | 2,028,814     | (502,273)     |
| Increase in deferred revenue - obligatory reserves              | 4,549,220     | 3,322,878     |
| Increase in post employment benefits                            | 1,052,600     | 973,700       |
| Net change in cash from operating activities                    | 49,853,535    | 44,383,707    |
| Financing activities:   |               |               |
| Principal repayments on municipal debt                          | (2,415,645)   | (2,324,749)   |
| Net change in financing activities                              | (2,415,645)   | (2,324,749)   |
| Capital activities:   |               |               |
| Proceeds on sale of tangible capital assets                     | 188,932       | 289,201       |
| Acquisition of tangible capital assets                          | (35,380,078)  | (47,150,636)  |
| Net change in cash from capital activities                      | (35,191,146)  | (46,861,435)  |
| Net change in cash and cash equivalents                         | 12,246,744    | (4,802,477)   |
| Cash and cash equivalents, beginning of year                    | 18,034,725    | 22,837,202    |
| Cash and cash equivalents, end of year                          | \$ 30,281,469 | \$ 18,034,725 |

The accompanying notes are an integral part of these consolidated financial statements.

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

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### 1. Nature of operations:

The Corporation of the City of Timmins (the "City") is a City in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and other related legislation.

### 2. Significant accounting policies:

The consolidated financial statements of The Corporation of the City of Timmins (the "City") are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the City are as follows:

#### (a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These consolidated financial statements include:

- Timmins Economic Development Corporation
- Board of Management of the Downtown Business Improvement Area

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

#### (i) Non-consolidated entities:

These consolidated financial statements do not reflect the assets, liabilities, sources of financing, expenditures and the activities of the following boards, organizations and entities which are not under the control of the City:

Mattagami Region Conservation Authority

City of Timmins Non-Profit Housing Corporation

District of Cochrane Social Services Administration Board ("CDSSAB") (Joint Local Board)

Porcupine Health Unit ("PHU") (Joint Local Board)

The Board of Health for the Porcupine Health Unit Building Trust (Joint Local Board)

Separate audited financial statements have been prepared for the above organizations.

#### (ii) Trust funds:

Trust funds and their related operations administered by the City are not included in the consolidated financial statements, but are reported separately on the Trust Funds Statement of Continuity and Trust Funds Statement of Financial Position.

#### (iii) Accounting for school board transactions:

Revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements.

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

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### 2. Significant accounting policies (continued):

(b) Basis of accounting:

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(c) Cash and cash equivalents:

Cash consists of balances held at financial institutions and all cash equivalents consist of highly liquid financial instruments with maturity of three months or less at acquisition.

(d) Investments:

Investments are recorded at cost.

Investment income is reported as revenue in the period earned. Investment income earned on reserve funds that are set aside for specific purposes by legislation, regulation or agreement, is added to the fund balance and forms part of the respective deferred revenue balances.

(e) Loans and other receivables:

Loans and other receivables are valued at cost. Recoverability is reviewed annually and a valuation allowance is recorded when recoverability is impaired. A loan receivable is written off when it is no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Interest revenue is recognized when earned.

(f) Inventory for own consumption:

Inventory for own consumption is recorded at the lower of cost and replacement cost.

(g) Leases:

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

(h) 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 is amortized on a straight-line basis over the estimated useful lives as follows:

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

### 2. Significant accounting policies (continued):

#### (h) Tangible capital assets (continued):

| Asset                             | Useful Life - Years                            |
|-----------------------------------|--|
| Land improvements                 | 10 - 20  |
| Leasehold improvements            | Restricted to lease term of related asset type |
| Buildings                         | 40   |
| Streets and structures            | 10 - 75  |
| Vehicles, equipment and furniture | 3 - 20   |
| Water system                      | 50 - 75  |
| Sewage system                     | 50 - 75  |

Assets under construction are not amortized until the asset is available for productive use.

#### (i) Contribution 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.

#### (j) Post employment benefits:

The City accrues its obligations under employment benefit plans as the employees render the services necessary to earn employee future benefits. The cost of retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected plan performance, salary escalation, retirement ages and expected health care costs. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was the expected cost of long-term debt. Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

Where applicable, the City has set aside reserve funds intended to fund these obligations, either in full or in part. These reserve funds were created under municipal by-law and do not meet the definition of a plan asset under CPA Handbook PS 3250 Retirement Benefits. Therefore, for the purposes of these consolidated financial statements, the plans are considered unfunded.

#### (k) Taxation and related revenues:

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by City Council, incorporating amounts to be raised for local services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known.

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

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### 2. Significant accounting policies (continued):

#### (k) Taxation and related revenues (continued):

The City is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

#### (l) User charges:

User charges relate to transit fees, utility charges (water, wastewater and solid waste), licensing fees, recreational fees, fees for use of various programs, and fees imposed based on specific activities. Revenue is recognized when the activity is performed or when the services are rendered.

#### (m) Government transfers and grants:

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulations is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the City. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

Government grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

#### (n) Fines and penalties:

Fines and penalties revenue is primarily generated from the Provincial Offences Act (POA) office. Balances arising from operation of the POA office have been consolidated with these financial statements. The City cannot reliably estimate the collections of this revenue, accordingly, revenue is recognized on the cash basis.

#### (o) Other revenue:

Other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which relate to revenues that will be earned in a subsequent year, are deferred and reported as liabilities.

#### (p) Deferred revenue:

Deferred revenue represents user charges and other fees which have been collected for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed, as this is the time the eligibility criteria have been met and the revenue is earned.

#### (q) Deferred revenue - obligatory reserve fund:

Obligatory reserve fund represents recreational land contributions and gasoline tax contributions under the authority of provincial or federal legislation and municipal by-laws. These amounts have been collected but the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed, as this is the time the eligibility criteria have been met and the revenue is earned.

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

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### 2. Significant accounting policies (continued):

(r) Reserves and reserve fund:

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are recorded as an adjustment to the respective fund when approved.

(s) Landfill closure and post-closure liabilities:

The costs to close existing landfill sites are based on estimated future expenditures in perpetuity in current dollars, adjusted for estimated inflation. The estimated liability for active sites is recognized as the landfill's capacity is used. These costs are reported as a liability on the Consolidated Statement of Financial Position.

(t) Net financial assets (net debt):

The City's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the City is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

(u) Use of estimates:

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles established by PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant items subject to such estimates and assumptions include: solid waste landfill closure and post closure liabilities, employee future benefits, liability for contaminated sites, Provincial Offences Act receivables, allowances for doubtful accounts, useful lives of tangible capital assets, assessment at risk and other accrued liabilities and/or obligations. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the year in which they become known.

### 3. Accounting standards issued but not yet adopted:

Section PS 1201, Financial Statement Presentation, PS 3041, Portfolio Investments, PS 3280, Asset Retirement Obligations, PS 3450, Financial Instruments, are effective for fiscal years beginning on or after April 1, 2022. While early adoption is permitted, all four of the standards must be adopted in the same year except for PS 3280. PS 1201 Financial Statement Presentation includes the addition of a new statement outlining re-measurement gains and losses. PS 3041, Portfolio Investments provides guidance on how to account for and report portfolio investments. PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of tangible capital assets. PS 3450, Financial Instruments provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. The City has not yet adopted these standards or determined the effect on the consolidated financial statements.

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

### 3. Accounting standards issued but not yet adopted (continued):

Section PS 2601 Foreign Currency Translation is effective for fiscal years beginning on or after April 1, 2022. This section includes guidance on deferral and amortization of unrealized gains and losses, hedge accounting and separation of realized and unrealized foreign exchange gains and losses. The City has not yet adopted these standards or determined the effect on the consolidated financial statements.

Section PS 3400, Revenue is effective for fiscal years beginning on or after April 1, 2023, early adoption is permitted. This section establishes standards on how to account for and report revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The City has not yet adopted this standard or determined the effect on the consolidated financial statements.

### 4. Operations of school boards:

During 2021, the City collected property taxes totaling \$10,040,356 (2020 - \$10,773,447) on behalf of area school boards, which have been excluded from reported revenue.

### 5. Trust funds:

Trust funds administered by the City amounting to \$3,219,914 (2020 - \$3,188,199) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations" as such balances are held in trust by the City for the benefit of others. Separate financial statements, which provide details of individual trusts and balances, are prepared for trust funds.

### 6. Contributions to non-consolidated joint local boards:

Further to note 1(a)(i), the following contributions were made by the City to these Boards:

|        | 2021                 | 2020                 |
|--------|----------------------|----------------------|
| CDSSAB | \$ 9,573,902         | \$ 11,755,452        |
| PHU    | 1,341,473            | 1,341,480            |
|        | <u>\$ 10,915,375</u> | <u>\$ 13,096,932</u> |

The City is contingently liable for its share, which is approximately 61% (2020 - 61%) for the CDSSAB and 55% (2020 - 55%) for the PHU, of any deficits at the end of the year for these boards. Neither board incurred a deficit in 2021 or 2020.

### 7. Accounts receivable:

|                   | 2021                 | 2020                 |
|-------------------|----------------------|----------------------|
| Canada            | \$ 5,467,248         | \$ 8,210,639         |
| Ontario           | 4,068,859            | 1,731,847            |
| Other receivables | 4,059,367            | 4,261,778            |
|                   | <u>\$ 13,595,474</u> | <u>\$ 14,204,264</u> |



# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

### 8. Taxes receivable:

|                           | 2021                | 2020                |
|---------------------------|---------------------|---------------------|
| Current year              | \$ 2,221,195        | \$ 4,743,434        |
| Arrears previous years    | 2,878,668           | 3,992,244           |
| Tax registered properties | 1,755,264           | 630,716             |
|                           | <u>\$ 6,855,127</u> | <u>\$ 9,366,394</u> |

### 9. Loan receivable:

The loan receivable from Cochrane District Social Services Administration Board is repayable in blended semiannual instalments of \$326,322 beginning on May 17th, 2010 up to and including November 16th, 2034. The loan bears interest at 5.06%.

Principal payments required for each of the next five years and thereafter are approximately as follows:

|            |                     |
|------------|---------------------|
| 2022       | \$ 345,152          |
| 2023       | 362,838             |
| 2024       | 381,429             |
| 2025       | 400,954             |
| 2026       | 421,520             |
| Thereafter | 4,250,222           |
|            | <u>\$ 6,162,115</u> |

### 10. Bank indebtedness:

The City has a credit facility agreement with a Canadian financial institution at a floating interest rate of prime less 0.75%. At year end the City had the entire amount of \$20,000,000 (2020 - \$20,000,000) available under this facility agreement.

### 11. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities include financial obligations to outside organizations and individuals as a result of transactions and events on or before the end of the accounting period. They are the result of contracts, agreements and legislation in force at the end of the accounting period that require the City to pay for goods and services acquired or provided on or before the accounting date. A breakdown is provided below:

|  | 2021                 | 2020                 |
|--|----------------------|----------------------|
| Trade accounts payable (including holdbacks) | \$ 12,728,466        | \$ 8,799,639         |
| Other  | 4,601,574            | 5,060,557            |
|  | <u>\$ 17,330,040</u> | <u>\$ 13,860,196</u> |

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

### 12. Deferred revenue – obligatory reserve fund:

A requirement of the public sector accounting standards of CPA Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds are summarized as follows:

|                            | 2021          | 2020         |
|----------------------------|---------------|--------------|
| Balance, beginning of year | \$ 7,985,734  | \$ 4,662,856 |
| Recreational land          | 10,016        | 8,800        |
| Investment income          | 86,793        | 83,121       |
| Gasoline tax – Province    | 662,844       | 695,576      |
| Gasoline tax – Federal     | 5,198,747     | 2,535,381    |
| Transfer to current fund   | (1,409,180)   | –            |
| Balance, end of year       | \$ 12,534,954 | \$ 7,985,734 |
| Analyzed as follows:       |               |              |
| Recreational land          | \$ 437,911    | \$ 422,584   |
| Gasoline tax – Province    | 1,428,877     | 1,165,658    |
| Gasoline tax – Federal     | 10,668,166    | 6,397,492    |
| Balance, end of year       | \$ 12,534,954 | \$ 7,985,734 |

### 13. Long-term liabilities:

- a) Total long-term liabilities incurred by the City, including those incurred on behalf of school boards, municipalities and municipal enterprises and outstanding at the end of the year are as follows:

|   | 2021          | 2020          |
|---|---------------|---------------|
| Debenture payable to Infrastructure Ontario (i)   | \$ 4,242,940  | \$ 4,832,582  |
| Debenture payable to Infrastructure Ontario (ii)  | 6,162,115     | 6,490,442     |
| Debenture payable to Infrastructure Ontario (iii) | 16,114,118    | 16,699,074    |
| Debenture payable to Infrastructure Ontario (iv)  | 17,283,236    | 18,195,956    |
| Other   | 14,865        | 14,865        |
|   | \$ 43,817,274 | \$ 46,232,919 |

- i. Debenture payable to Ontario Infrastructure Projects Corporation incurred to finance the construction of the Timmins Police Building and a new medical building. The loan is being repaid in semi-annual payments of \$415,513 and bears interest at 5.15%. All of these amounts are payable from general operations.
- ii. Debenture payable to Ontario Infrastructure Projects Corporation incurred to finance the construction of an office building occupied by the Cochrane District Social Services Administration Board (CDSSAB). The loan is being repaid in semi-annual payments of \$326,322 and bears interest at 5.06%. This debt is recoverable from CDSSAB.

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

### 13. Long-term liabilities (continued):

- iii. Debenture payable to Ontario Infrastructure Projects Corporation incurred to finance the Waste Water Treatment facility upgrade capital project. The loan is being repaid in semi-annual payments of \$587, 141 and bears interest at 3.56%. All of these amounts are payable from waste water operations.
  - iv. Debenture payable to Ontario Infrastructure Projects Corporation incurred to finance the Waste Water Treatment facility upgrade capital project. The loan is being repaid in semi-annual payments of \$711,525 and bears interest at 2.84%. All of these amounts are payable from waste water operations.
- b) The long-term liabilities in (a) issued in the name of the City have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayments limit prescribed by the Ministry of Municipal Affairs and Housing.

|            |                      |
|------------|----------------------|
| 2022       | \$ 2,525,207         |
| 2023       | 2,609,006            |
| 2024       | 2,711,814            |
| 2025       | 2,818,950            |
| 2026       | 2,930,608            |
| Thereafter | 30,221,689           |
|            | <u>\$ 43,817,274</u> |

### 14. Pension agreements:

The City makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multiemployer plan on behalf of all permanent, full-time and qualifying part-time members of its staff. 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 2021 was \$4,707,211 (2020 - \$4,750,066) for current service.

### 15. Post employment benefit liability:

The City provides certain employee benefits, which will require funding in future periods. Under the sick-leave benefit plan, unused sick leave can accumulate and eligible employees may become entitled to cash payment upon termination, death or retirement. The payout is 50% of the accumulated credits limited to 50% of annual salary at termination, death or retirement. The City provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the City's consolidated financial statements.

The City continues to provide health care benefits to eligible full-time members in retirement until age 65. In addition, the City will provide an HCSA benefit to all full-time Police Senior Officers, Uniforms and Civilian and Firefighters, when the retiree turns 65 up to and including age 70. The City provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the City's consolidated financial statements.

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

### 15. Post employment benefit liability (continued):

With respect to responsibilities under provisions of the Workplace Safety and Insurance Board (WSIB) Act, the City has elected to be treated as a Schedule 1 employer and remits monthly premiums to the WSIB.

An actuarial estimate of future liabilities was completed as of December 31, 2020.

The following table sets out the actuarial results for each of the plans as at December 31, 2021.

|   | Retirement<br>Benefits | Other Employee<br>Future Benefits | 2021<br>Total | 2020<br>Total |
|---|------------------------|-----------------------------------|---------------|---------------|
| <b>LIABILITIES</b>  |                        |                                   |               |               |
| Projected accrued<br>employee future<br>benefit obligations,<br>end of year | \$ 13,631,400          | \$ 4,861,000                      | \$ 18,492,400 | \$ 17,799,000 |
| Unamortized net<br>actuarial loss (gain)                                    | (1,790,700)            | 209,400                           | (1,581,300)   | (1,940,500)   |
| Employee future<br>benefits liability                                       | \$ 11,840,700          | \$ 5,070,400                      | \$ 16,911,100 | \$ 15,858,500 |
|   |                        |                                   |               |               |
|   | Retirement<br>Benefits | Other Employee<br>Future Benefits | 2021<br>Total | 2020<br>Total |
| Accrued benefit<br>obligation (ABO),<br>beginning of year                   | \$ 13,026,600          | \$ 4,772,400                      | \$ 17,799,000 | \$ 17,184,500 |
| Add: benefit/service<br>cost  | 771,700                | 499,900                           | 1,271,600     | 1,235,800     |
| Add: interest   | 392,100                | 144,800                           | 536,900       | 517,700       |
| Less: benefits<br>payments  | (559,000)              | (556,100)                         | (1,115,100)   | (1,139,000)   |
| Expected accrued<br>benefit obligation,<br>end of year                      | \$ 13,631,400          | \$ 4,861,000                      | \$ 18,492,400 | \$ 17,799,000 |

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

### 15. Post employment benefit liability (continued):

The accrued benefit obligations for employee future benefit plans as at December 31, 2021 are based on an actuarial valuation as of December 31, 2020. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the City's best estimates of expected rates of the following:

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|   |   |
|---|---|
| Wage and salary escalation (includes inflation)             | 2.50%   |
| Discount on accrued benefit obligation (includes inflation) | 2.90%   |
| Expected average remaining service life of employee group:  |   |
| Post-retirement benefits                                    | 12 years  |
| Early retirement sick leave                                 | 12 years  |
| Sick leave  | 12 years  |
| Gratuity benefits   | 12 years  |
| Dental cost escalation                                      | 5.35% for 2021, reducing by 0.15% in each subsequent year to an ultimate rate of 4% in 2030   |
| Health care cost escalation                                 | 5.86% for 2021, reducing by 0.25% each year to an ultimate rate of 4% in 2040; other health - 4.0% per year   |
| Expected future mortality rates                             | 2004 CPM Public Table with MI-2017 Scale  |
| Expected future terminations rates                          | Based on the OMERS pension plan termination rates used in the OMERS Primary pension plan valuation as at December 31, 2021  |
| Early future retirement rates                               | For Police Uniform/Senior Officers and 50 - 0.025, 51-53 - 0.01, 54 - 0.015, 55 - 0.025, 56 - 0.015, 57 - 0.03, 58 - 0.055, 59 - 0.065, 60 - 0.50, 61 - 0.30, 62-64 - 0.25, 65 - 1.00<br>For all other employees:<br>55-58 - 0.035, 59 - 0.04, 60 - 0.07, 61-62 - 0.075, 63-64 - 0.085, 65 - 1.00 |

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Reserve funds have been established to provide for the sick leave and post-employment benefits liabilities and are reported on Schedule B. The sick leave reserve fund balance at the end of the year amounted to \$1,540,476 (2020 - \$1,528,186). The post-employment benefits reserve fund balance at the end of the year amounted to \$154,717 (2020 - \$153,385).

The current year amortization expenditure of the actuarial gain (loss) for retirement benefits is \$309,600 (2020 - \$309,600) and \$49,600 (2020 - \$49,600) for other employee future benefits.

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

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### **16. Landfill closure and post-closure liability:**

Landfill closure and post-closure care requirements are outlined in the Certificate of Approval filed with the Ministry of the Environment and Energy. Closure will involve capping of the site with a compacted impermeable clay layer, a layer of topsoil, the re-introduction of a vegetative cover and the construction of surface drainage controls. Post-closure care will involve routine inspections, cap maintenance, groundwater and well sampling and analysis. The reported liability is based on estimates and assumptions with respect to events extending over a forty-five year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at an average borrowing rate of 2.31% less inflation of 2.69% for the German site and an average borrowing rate of 5.69% less inflation of 2.69% for the Deloro site. Total landfill closure and post-closure care expenditures are estimated at \$29,015,848. It is estimated that the total net present value of the cost to close and maintain the landfill site is approximately \$8,707,876. Currently, \$4,484,721 (2020 - \$12,727,983) has been accrued as a liability. To date, approximately 49% of the Deloro site's capacity and approximately 73% of the German site has been used. The estimated remaining capacity of the Deloro landfill site is 51% (2,927,544 cubic meters) and 27% for the German landfill (10,200 cubic meters) of its total estimated capacity and its estimated remaining life is 50 years (Deloro site), 7 years (German Landfill), after which the period for post-closure care is estimated to be 25 years for both landfill sites.

# THE CORPORATION OF THE CITY OF TIMMINS

Notes to Consolidated Financial Statements

Year ended December 31, 2021

## 17. Tangible capital assets:

| Cost                                 | Balance at<br>December 31,<br>2020 | Additions            | Disposals              | Balance at<br>December 31,<br>2021 |
|--------------------------------------|------------------------------------|----------------------|------------------------|------------------------------------|
| Land and land improvements           | \$ 25,740,364                      | \$ 10,110,966        | \$ (6,192,021)         | \$ 29,659,309                      |
| Buildings and leasehold improvements | 163,773,335                        | 1,557,859            | (9,000)                | 165,322,194                        |
| Vehicles, equipment and furniture    | 124,229,541                        | 6,542,117            | (2,150,597)            | 128,621,061                        |
| Streets and structures               | 171,421,844                        | 8,842,596            | (1,032,879)            | 179,231,561                        |
| Water system                         | 49,948,538                         | 6,757,555            | (36,675)               | 56,669,418                         |
| Sewer system                         | 43,964,728                         | 1,568,985            | (13,130)               | 45,520,583                         |
| Assets under construction            | 25,449,431                         | 15,072,844           | (14,282,517)           | 26,239,758                         |
| <b>Total</b>                         | <b>\$ 604,527,781</b>              | <b>\$ 50,452,922</b> | <b>\$ (23,716,819)</b> | <b>\$ 631,263,884</b>              |

| Accumulated<br>Amortization          | Balance at<br>December 31,<br>2020 | Disposals             | Amortization         | Balance at<br>December 31,<br>2021 |
|--------------------------------------|------------------------------------|-----------------------|----------------------|------------------------------------|
| Land and land improvements           | \$ 13,446,239                      | \$ (6,176,044)        | \$ 1,436,338         | \$ 8,706,533                       |
| Buildings and leasehold improvements | 61,041,961                         | (9,000)               | 4,759,597            | 65,792,558                         |
| Vehicles, equipment and furniture    | 69,264,412                         | (1,900,452)           | 6,199,706            | 73,563,666                         |
| Streets and structures               | 90,612,280                         | (1,021,447)           | 2,804,233            | 92,395,066                         |
| Water system                         | 21,622,476                         | (27,758)              | 1,508,697            | 23,103,415                         |
| Sewer system                         | 13,334,135                         | (11,618)              | 535,302              | 13,857,819                         |
| Assets under construction            | -                                  | -                     | -                    | -                                  |
| <b>Total</b>                         | <b>\$ 269,321,503</b>              | <b>\$ (9,146,319)</b> | <b>\$ 17,243,873</b> | <b>\$ 277,419,057</b>              |

|                                      | Net book value,<br>December 31,<br>2020 | Net book value,<br>December 31,<br>2021 |
|--------------------------------------|---|---|
| Land and land improvements           | \$ 12,294,125                           | \$ 20,952,776                           |
| Buildings and leasehold improvements | 102,731,374                             | 99,529,636                              |
| Vehicles, equipment and furniture    | 54,965,129                              | 55,057,395                              |
| Streets and structures               | 80,809,564                              | 86,836,495                              |
| Water system                         | 28,326,062                              | 33,566,003                              |
| Sewer system                         | 30,630,593                              | 31,662,764                              |
| Assets under construction            | 25,449,431                              | 26,239,758                              |
| <b>Total</b>                         | <b>\$ 335,206,278</b>                   | <b>\$ 353,844,827</b>                   |

# THE CORPORATION OF THE CITY OF TIMMINS

Notes to Consolidated Financial Statements

Year ended December 31, 2021

## 17. Tangible capital assets (continued):

| Cost                                 | Balance at<br>December 31,<br>2019 | Additions            | Disposals              | Balance at<br>December 31,<br>2020 |
|--------------------------------------|------------------------------------|----------------------|------------------------|------------------------------------|
| Land and land improvements           | \$ 21,138,673                      | \$ 4,611,188         | \$ (9,497)             | \$ 25,740,364                      |
| Buildings and leasehold improvements | 144,051,231                        | 19,751,123           | (29,019)               | 163,773,335                        |
| Vehicles, equipment and furniture    | 114,989,484                        | 11,345,643           | (2,105,586)            | 124,229,541                        |
| Streets and structures               | 170,630,355                        | 811,124              | (19,635)               | 171,421,844                        |
| Water system                         | 41,623,370                         | 8,325,168            | -                      | 49,948,538                         |
| Sewer system                         | 41,398,382                         | 2,567,128            | (782)                  | 43,964,728                         |
| Assets under construction            | 47,878,788                         | -                    | (22,429,357)           | 25,449,431                         |
| <b>Total</b>                         | <b>\$ 581,710,283</b>              | <b>\$ 47,411,374</b> | <b>\$ (24,593,876)</b> | <b>\$ 604,527,781</b>              |

| Accumulated<br>Amortization          | Balance at<br>December 31,<br>2019 | Disposals             | Amortization         | Balance at<br>December 31,<br>2020 |
|--------------------------------------|------------------------------------|-----------------------|----------------------|------------------------------------|
| Land and land improvements           | \$ 12,201,388                      | \$ 24,745             | \$ 1,220,106         | \$ 13,446,239                      |
| Buildings and leasehold improvements | 56,351,133                         | (29,019)              | 4,719,847            | 61,041,961                         |
| Vehicles, equipment and furniture    | 64,392,071                         | (1,713,554)           | 6,585,895            | 69,264,412                         |
| Streets and structures               | 87,534,656                         | -                     | 3,077,624            | 90,612,280                         |
| Water system                         | 20,744,824                         | -                     | 877,652              | 21,622,476                         |
| Sewer system                         | 12,756,071                         | -                     | 578,064              | 13,334,135                         |
| Assets under construction            | -                                  | -                     | -                    | -                                  |
| <b>Total</b>                         | <b>\$ 253,980,143</b>              | <b>\$ (1,717,828)</b> | <b>\$ 17,059,188</b> | <b>\$ 269,321,503</b>              |

|                                      | Net book value,<br>December 31,<br>2019 | Net book value,<br>December 31,<br>2020 |
|--------------------------------------|---|---|
| Land and land improvements           | \$ 8,937,285                            | \$ 12,294,125                           |
| Buildings and leasehold improvements | 87,700,098                              | 102,731,374                             |
| Vehicles, equipment and furniture    | 50,597,413                              | 54,965,129                              |
| Streets and structures               | 83,095,699                              | 80,809,564                              |
| Water system                         | 20,878,546                              | 28,326,062                              |
| Sewer system                         | 28,642,311                              | 30,630,593                              |
| Assets under construction            | 47,878,788                              | 25,449,431                              |
| <b>Total</b>                         | <b>\$ 327,730,140</b>                   | <b>\$ 335,206,278</b>                   |



# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

### 18. Provincial offences act administration:

The Provincial Offences Act (POA) is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences.

The revenues collected consist of fines levied under Parts I and III for POA charges and amounted to \$1,053,965 for the year ended December 31, 2021 (2020 - \$730,390).

The operating costs for the administration of the POA for the year ending December 31, 2021 amount to \$515,441 (2020 - \$428,323), resulting in a net contribution of \$538,524 (2020 - \$302,067), exclusive of capital costs. The City's share is 80.65%.

Revenue and expenditures were audited in relation to the audit of the City as a whole.

### 19. Accumulated surplus:

|   | 2021                  | 2020                  |
|---|-----------------------|-----------------------|
| <b>Surplus (deficit)</b>                |                       |                       |
| Invested in tangible capital assets     | \$ 316,204,533        | \$ 295,478,666        |
| General revenue fund                    | (22,397,167)          | (18,212,641)          |
| Unfunded:                               |                       |                       |
| Employee benefits payable               | (16,911,100)          | (15,858,500)          |
| Landfill closure and post-closure costs | (4,484,721)           | (12,727,983)          |
| Total surplus                           | 272,411,545           | 248,679,542           |
| Reserves                                | 36,565,540            | 33,216,507            |
| Reserve funds                           | 5,044,853             | 5,138,087             |
|   | <b>\$ 314,021,938</b> | <b>\$ 287,034,136</b> |

### 20. Commitments:

Through its normal course of operations, the City enters into long-term contracts for the purchase of goods and services and for the construction of capital projects for which completion is expected to occur beyond the current fiscal year. The future value of certain long-term contracts is unknown. Annually, the City includes estimated payments required for the upcoming year as part of its budget to ensure that sufficient funding is available for these contracts.

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

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### 21. Contingencies:

In addition to those contingencies mentioned in Note 4, the City is involved in a number of claims and possible claims which are as a result of normal ongoing operations. Management of the City is of the opinion that these claims are without merit. No provision has been made in these statements to reflect any of these claims. Any settlements or awards which may arise will be reflected in the financial records in the year that the amount has been determined.

In the eventuality that the City is unsuccessful in defending some of these claims, amounts are available in existing reserves and reserve funds. Management is of the opinion that the reserves and reserve funds are sufficient to cover these claims.

### 22. Budget information:

The Budget 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 require full accrual basis. The budget figures anticipated transfers into reserve for revenues in excess of current year expenditures. As a result, the budget figures presented in the statements of financial activities and changes in net debt represent the Budget adopted Council with adjustments as follows:

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|                        |                |
|------------------------|----------------|
| Deficit for the year   | \$ (4,733,491) |
| Add:                   |                |
| Transfer to reserves   | 7,768,236      |
| Capital expenditures   | 26,738,200     |
| Less:                  |                |
| Transfer from reserves | 2,273,911      |
| Annual surplus         | \$ 27,499,034  |

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### 23. Impacts of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social impacts. During the year ended December 31, 2021, the City experienced COVID-19 related declines in revenues (primarily user charges) and increased costs in select service areas. In response to the pandemic, the Federal and Provincial governments provided funding, included the Safe Restart Funding.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the City as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. The further overall operational and financial impact is highly dependent on the duration of COVID-19, including the potential occurrence of additional waves of the pandemic, and could be affected by other factors that are currently not known at this time. Management is actively monitoring the effect of the pandemic on its financial condition, liquidity, operations, suppliers, and workforce. Given the ongoing evolution of the pandemic and the global responses to curb its spread, the City is not able to fully estimate the effects of the pandemic on its results of operations, financial condition, or liquidity at this time.

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

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### 24. Supplementary financial information – Library:

Government transfers for operating for the year include a Library Pay Equity grant of \$1,402 (2020 - \$1,402) and a Library Per Household grant of \$90,405 (2020 - \$90,405) from the Province of Ontario.

Total operating costs for the library for the year ended December 31, 2021 amounted to \$1,838,472 (2020 - \$1,924,573). Of these costs, \$1,319,070 (2020 - \$1,302,643) related to salaries and benefits for employees.

### 25. Comparative figures:

Certain comparative figures have been reclassified to conform to current year presentation.

### 26. Segmented information:

The City is a diversified municipal government that provides a wide range of services to its citizens, including fire, public transit, water, roads and public works operations, parks, recreation, culture, planning, development and building services. For management reporting purposes, the City's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

The City's services are provided by departments and their activities are recorded in these funds. Certain departments that have been disclosed in the segmented information, along with the services they provide, are as follows:

#### **GENERAL GOVERNMENT**

This segment reflects the administrative operations of the City. Those costs that relate directly to the administration of the various segments have been allocated to the appropriate segment.

#### **PROTECTION SERVICES**

Protection is comprised of the Police Service and Fire Paramedic Service departments. The mandate of the Police Service department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The Fire and Paramedic Service department is responsible for providing fire suppression service, fire prevention programs, training and education related to prevention, detection or extinguishments of fires, and paramedic services.

#### **TRANSPORTATION SERVICES**

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems and street lighting. The Transit department is responsible for providing local public transportation service. The City also operates the Timmins Airport which services Timmins and surrounding areas.

#### **ENVIRONMENTAL SERVICES**

The Water and Waste department consists of three distinct utilities - water, wastewater and solid waste disposal. The department provides drinking water to citizens of Timmins, collection and treatment of wastewater, and provides collection, disposal and waste minimization programs and facilities for solid waste. Their land drainage and garbage collection operations are reported in the General Revenue Fund and are included in the Public Works and Water segment.

# THE CORPORATION OF THE CITY OF TIMMINS

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

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### **26. Segmented information (continued):**

#### **HEALTH SERVICES**

The City provides cemetery services to its citizens.

It also contributes to the provision of public health and ambulance services to the community. These services are provided by the Porcupine Health Unit and the Cochrane District Social Services Administration Board.

#### **SOCIAL AND FAMILY SERVICES**

The City operates a nursing home which provides care to elderly individuals in the community. The City also contributes to the Cochrane District Social Services Administration Board for the provision of general assistance to individuals in the community.

#### **RECREATION AND CULTURAL SERVICES**

The Community Services department provides public services that contribute to neighborhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs and the maintenance of parks and open space. The department also contributes towards the information needs of the City's citizens through the provision of library services.

#### **PLANNING AND DEVELOPMENT**

The Planning, Property and Development department provides a diverse bundle of services. It manages urban development for business interests, environmental concerns, heritage matters, local neighborhoods and the downtown through city planning, community development, parks and riverbank planning. It ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, and building standards. It facilitates economic development by providing services for the approval of all land development plans, the processing of building permit applications and the provision of geometric services, as well as providing cemetery services to citizens.

For each reported segment, revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes, certain government transfers, transfer from other funds, and other revenues are apportioned to the segments have been apportioned based on a percentage of expenditures.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2.

# THE CORPORATION OF THE CITY OF TIMMINS

Notes to Consolidated Financial Statements

Year ended December 31, 2021

## 26. Segmented Information (continued):

|  | General<br>Government<br>Services | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health, Social<br>and Family<br>Services | Recreation and<br>Cultural<br>Services | Planning<br>and<br>Development | Unallocated<br>amounts | Total<br>2021 |
|--|-----------------------------------|------------------------|----------------------------|---------------------------|--|--|--------------------------------|------------------------|---------------|
| Revenues:                                      |                                   |                        |                            |                           |  |  |                                |                        |               |
| Taxation revenue                               | \$ -                              | -                      | -                          | -                         | -  | -                                      | -                              | 76,134,930             | 76,134,930    |
| User charges and sale of goods                 | 2,234,486                         | 814,341                | 4,180,432                  | 24,334,579                | 4,117,215                                | 848,821                                | 608,140                        | -                      | 37,138,014    |
| Government transfers - operating               | 3,343,244                         | 2,264,886              | 2,941,605                  | 996,484                   | 13,303,911                               | 190,769                                | 472,376                        | 10,543,700             | 34,056,975    |
| Government transfers - capital                 | 16,000                            | -                      | 3,687,780                  | 1,905,873                 | 409,767                                  | 715,610                                | -                              | -                      | 6,735,030     |
| Investment income                              | 399,939                           | -                      | 3,628                      | -                         | 149,007                                  | 85                                     | -                              | 18,935                 | 571,594       |
| Penalties and interest on taxes                | -                                 | -                      | -                          | -                         | -  | -                                      | -                              | 1,393,053              | 1,393,053     |
| Licenses and permits                           | 232,329                           | 97,081                 | 462,791                    | -                         | -  | -                                      | -                              | -                      | 792,201       |
| Gain (loss) on sale of tangible capital assets | -                                 | 41,202                 | 6,778                      | (120,776)                 | -  | (26,255)                               | -                              | -                      | (99,051)      |
| Other  | -                                 | 1,177,231              | -                          | -                         | -  | -                                      | 826,175                        | 1,230,402              | 3,233,808     |
|  | 6,225,998                         | 4,394,741              | 11,283,014                 | 27,116,160                | 17,979,900                               | 1,729,030                              | 1,906,691                      | 89,321,020             | 159,956,554   |
| Expenses:                                      |                                   |                        |                            |                           |  |  |                                |                        |               |
| Salaries, wages and benefits                   | 4,436,257                         | 22,699,575             | 11,807,797                 | 6,857,471                 | 17,338,664                               | 4,659,320                              | 2,226,081                      | -                      | 70,025,165    |
| Materials                                      | 6,596,597                         | 2,486,179              | 5,148,463                  | 7,897,812                 | 2,963,535                                | 2,424,187                              | 1,845,090                      | -                      | 29,361,863    |
| Contracted services                            | 848,425                           | 388,544                | 3,125,440                  | 2,686,783                 | 44,432                                   | 379,846                                | 120,547                        | -                      | 7,594,017     |
| Rent and financial expenditures                | 21,656                            | 94,034                 | 2,475,837                  | 1,291,961                 | 38,459                                   | 51,750                                 | 70,677                         | -                      | 4,044,374     |
| Interest on long term debt                     | -                                 | 199,199                | -                          | 1,087,309                 | 42,183                                   | -                                      | -                              | -                      | 1,328,691     |
| External transfers                             | 18,730                            | 653,433                | (3,827)                    | -                         | 10,915,375                               | 30,320                                 | -                              | -                      | 11,614,031    |
| Amortization of tangible capital assets        | 302,347                           | 1,109,026              | 5,557,988                  | 8,351,281                 | 417,091                                  | 1,316,322                              | 189,818                        | -                      | 17,243,873    |
|  | 12,224,012                        | 27,629,990             | 28,111,698                 | 28,172,617                | 31,759,739                               | 8,861,745                              | 4,452,213                      | -                      | 141,212,014   |
| Annual surplus (deficit) before the undernoted | (5,998,014)                       | (23,235,249)           | (16,828,684)               | (1,056,457)               | (13,779,839)                             | (7,132,715)                            | (2,545,522)                    | 89,321,020             | 18,744,540    |
| Landfill closure liability recovery (expense)  | -                                 | -                      | -                          | 8,243,262                 | -  | -                                      | -                              | -                      | 8,243,262     |
| Annual surplus (deficit)                       | \$ (5,998,014)                    | (23,235,249)           | (16,828,684)               | 7,186,805                 | (13,779,839)                             | (7,132,715)                            | (2,545,522)                    | 89,321,020             | 26,987,802    |

# THE CORPORATION OF THE CITY OF TIMMINS

Notes to Consolidated Financial Statements

Year ended December 31, 2021

## 26. Segmented Information (continued):

|  | General<br>Government<br>Services | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health, Social<br>and Family<br>Services | Recreation and<br>Cultural<br>Services | Planning<br>and<br>Development | Unallocated<br>amounts | Total<br>2020 |
|--|-----------------------------------|------------------------|----------------------------|---------------------------|--|--|--------------------------------|------------------------|---------------|
| <b>Revenues:</b>                               |                                   |                        |                            |                           |  |  |                                |                        |               |
| Taxation revenue                               | \$ -                              | -                      | -                          | -                         | -  | -                                      | -                              | 74,049,183             | \$ 74,049,183 |
| User charges and sale of goods                 | 2,520,162                         | 665,640                | 3,892,338                  | 23,051,620                | 4,128,958                                | 921,983                                | 540,996                        | -                      | 35,721,697    |
| Government transfers - operating               | 1,948,745                         | 3,713,101              | 1,482,539                  | 1,259,241                 | 12,556,580                               | 179,088                                | 236,048                        | 10,361,500             | 31,736,842    |
| Government transfers - capital                 | -                                 | -                      | 3,728,673                  | 905,873                   | 190,633                                  | 72,505                                 | -                              | -                      | 4,897,684     |
| Investment income                              | 457,127                           | -                      | 5,280                      | -                         | 36,986                                   | 123                                    | -                              | 110,583                | 610,099       |
| Penalties and interest on taxes                | -                                 | -                      | -                          | -                         | -  | -                                      | -                              | 567,561                | 567,561       |
| Licenses and permits                           | 309,341                           | 77,333                 | 339,144                    | -                         | -  | -                                      | -                              | -                      | 725,818       |
| Gain (loss) on sale of tangible capital assets | -                                 | 16,336                 | 6,484                      | 218,313                   | (827)                                    | (137,053)                              | -                              | -                      | 103,253       |
| Other  | -                                 | 1,104,882              | -                          | -                         | -  | -                                      | 577,213                        | 669,536                | 2,351,631     |
|  | 5,235,375                         | 5,577,292              | 9,454,458                  | 25,435,047                | 16,912,330                               | 1,036,646                              | 1,354,257                      | 85,758,363             | 150,763,768   |
| <b>Expenses:</b>                               |                                   |                        |                            |                           |  |  |                                |                        |               |
| Salaries, wages and benefits                   | 5,066,727                         | 21,219,356             | 11,201,166                 | 7,406,239                 | 16,124,837                               | 4,412,088                              | 2,028,435                      | -                      | 67,458,848    |
| Materials                                      | 4,361,155                         | 2,980,534              | 4,863,001                  | 6,040,101                 | 2,662,498                                | 2,645,992                              | 1,293,896                      | -                      | 24,847,177    |
| Contracted services                            | 961,494                           | 406,411                | 5,255,663                  | 4,986,709                 | 66,730                                   | 363,413                                | 131,882                        | -                      | 12,172,302    |
| Rent and financial expenditures                | 26,541                            | 36,317                 | 3,175,567                  | 1,577,945                 | 8,679                                    | 189,845                                | 70,485                         | -                      | 5,085,379     |
| Interest on long term debt                     | -                                 | 223,323                | -                          | 1,133,331                 | 387,611                                  | -                                      | -                              | -                      | 1,744,265     |
| External transfers                             | 71,933                            | 697,561                | (598)                      | (187)                     | 11,798,468                               | 18,042                                 | -                              | -                      | 12,585,219    |
| Amortization of tangible capital assets        | 215,327                           | 982,834                | 5,106,274                  | 8,934,447                 | 406,839                                  | 1,203,427                              | 210,040                        | -                      | 17,059,188    |
|  | 10,703,177                        | 26,546,336             | 29,601,073                 | 30,078,585                | 31,455,662                               | 8,832,807                              | 3,734,738                      | -                      | 140,952,378   |
| Annual surplus (deficit) before the undemoted  | (5,467,802)                       | (20,969,044)           | (20,146,615)               | (4,643,538)               | (14,543,332)                             | (7,796,161)                            | (2,380,481)                    | 85,758,363             | 9,811,390     |
| Landfill closure liability recovery (expense)  | -                                 | -                      | -                          | (1,328,598)               | -  | -                                      | -                              | -                      | (1,328,598)   |
| Annual surplus (deficit)                       | \$ (5,467,802)                    | (20,969,044)           | (20,146,615)               | (5,972,136)               | (14,543,332)                             | (7,796,161)                            | (2,380,481)                    | 85,758,363             | 8,482,792     |

Financial Statements of

**CORPORATION OF THE CITY  
OF TIMMINS  
TRUST FUNDS**

And Independent Auditor's Report thereon

Year ended December 31, 2021

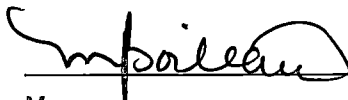
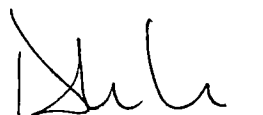
### **Management's Responsibility for the Consolidated Financial Statements**

The accompanying financial statements of The Corporation of the City of Timmins Trust Funds (the "City") are the responsibility of the City's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the City. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the City's financial statements.

  
\_\_\_\_\_  
Mayor  
\_\_\_\_\_  
Chief Administration Officer





KPMG LLP  
Times Square Mall  
1760 Regent Street, Unit 4  
Sudbury ON P3E 3Z8  
Canada  
Tel 705-669-2520  
Fax 705-675-7586

## INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the  
Corporation of the City of Timmins

### ***Opinion***

We have audited the financial statements of The Corporation of the City of Timmins Trust Funds ("the Entity"), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Timmins Trust Funds as at December 31, 2021, and its results of 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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

### ***Other Matter – Comparative Information***

The financial statements of The Corporation of the City of Timmins Trust Funds for the year ended December 31, 2020 were audited by another auditor who expressed a qualified opinion on those financial statements on September 14, 2021.



### ***Responsibilities of Management and Those Charged with Governance 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditor's Responsibility 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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity'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 Entity 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A stylized, handwritten-style signature of 'KPMG LLP' in a bold, italicized font, with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants  
Sudbury, Canada  
December 6, 2022

# CORPORATION OF THE CITY OF TIMMINS

## TRUST FUNDS

Statement of Financial Position

December 31, 2021, with comparative information for 2020

|                                      | Cemetery Care<br>and Maintenance<br>Funds | Residents'<br>Trust Accts.<br>Home For<br>the Aged | Subdividers'<br>Deposits for<br>Installation<br>of Services | F.E. Jokela<br>Home For<br>the Aged | Museum<br>Donations | French<br>Language/<br>Timmins Public<br>Library Trust | OHRP,<br>OHRP<br>Rental<br>Trust | Total<br>2021       | Total<br>2020       |
|--------------------------------------|---|--|---|-------------------------------------|---------------------|--|----------------------------------|---------------------|---------------------|
| <b>Assets</b>                        |   |  |   |                                     |                     |  |                                  |                     |                     |
| Cash                                 | \$ 171,362                                | 74,901   | 44,508  | 154,615                             | 32,117              | 24,451   | -                                | \$ 501,954          | \$ 507,869          |
| Accounts receivable (note 3)         | -   | -  | -   | -                                   | -                   | -  | 17,640                           | 17,640              | 17,640              |
| Investments, at cost (note 4)        | 2,489,888                                 | -  | -   | -                                   | -                   | -  | -                                | 2,489,888           | 2,395,587           |
| Due from (to) revenue fund (note 5)  | 96,592                                    | 60   | 19,240  | 93,854                              | -                   | (4,073)  | 8,487                            | 214,160             | 267,103             |
|                                      | <b>\$ 2,757,842</b>                       | <b>74,961</b>                                      | <b>63,748</b>   | <b>248,469</b>                      | <b>32,117</b>       | <b>20,378</b>  | <b>26,127</b>                    | <b>\$ 3,223,642</b> | <b>\$ 3,188,199</b> |
| <b>Liabilities and Fund Balances</b> |   |  |   |                                     |                     |  |                                  |                     |                     |
| Fund balances                        | 2,757,842                                 | 74,961   | 63,748  | 248,469                             | 32,117              | 20,378   | 26,127                           | 3,223,642           | 3,188,199           |
|                                      | <b>\$ 2,757,842</b>                       | <b>74,961</b>                                      | <b>63,748</b>   | <b>248,469</b>                      | <b>32,117</b>       | <b>20,378</b>  | <b>26,127</b>                    | <b>\$ 3,223,642</b> | <b>\$ 3,188,199</b> |

See accompanying notes to financial statements.

# CORPORATION OF THE CITY OF TIMMINS

## TRUST FUNDS

### Statement of Changes in Fund Balances

Year ended December 31, 2021, with comparative information for 2020

|                                     | Cemetery Care<br>and Maintenance<br>Funds | Residents'<br>Trust Accts.<br>Home For<br>the Aged | Subdividers'<br>Deposits for<br>Installation<br>of Services | F.E. Jokela<br>Home For<br>the Aged | Museum<br>Donations | French<br>Language/<br>Timmins Public<br>Library Trust | OHRP,<br>OHRP<br>Rental<br>Trust |    | Total<br>2021 | Total<br>2020 |
|-------------------------------------|---|--|---|-------------------------------------|---------------------|--|----------------------------------|----|---------------|---------------|
| Revenue:                            |   |  |   |                                     |                     |  |                                  |    |               |               |
| Investment income                   | \$ 95,705                                 | 687  | 354   | 1,232                               | 276                 | 215  | -                                | \$ | 98,469        | \$ 94,531     |
| Care and maintenance funds (note 6) | 91,464                                    | -  | -   | -                                   | -                   | -  | -                                |    | 91,464        | 52,418        |
| Residents contributions             | -   | 278,154  | -   | -                                   | -                   | -  | -                                |    | 278,154       | 280,160       |
| Donations                           | -   | -  | -   | 11,927                              | -                   | -  | -                                |    | 11,927        | 36,175        |
| Concession income                   | -   | -  | -   | 2,288                               | -                   | -  | -                                |    | 2,288         | 6,464         |
|                                     | 187,169                                   | 278,841  | 354   | 15,447                              | 276                 | 215  | -                                |    | 482,302       | 469,748       |
| Expenses:                           |   |  |   |                                     |                     |  |                                  |    |               |               |
| Transfers to revenue fund           | 149,006                                   | -  | -   | -                                   | -                   | -  | -                                |    | 149,006       | 224,206       |
| Payment on behalf of residents      | -   | 287,100  | -   | -                                   | -                   | -  | -                                |    | 287,100       | 76,480        |
| Contractors' repayments             | -   | -  | -   | -                                   | -                   | -  | -                                |    | -             | 56,740        |
| Concession COGS                     | -   | -  | -   | 1,252                               | -                   | -  | -                                |    | 1,252         | 3,333         |
| Expenses                            | -   | -  | (40)  | 9,529                               | -                   | 12   | -                                |    | 9,501         | 13,191        |
|                                     | 149,006                                   | 287,100  | (40)  | 10,781                              | -                   | 12   | -                                |    | 446,859       | 373,950       |
| Change in fund balances in year     | 38,163                                    | (8,259)  | 394   | 4,666                               | 276                 | 203  | -                                |    | 35,443        | 95,798        |
| Fund balances, beginning of year    | 2,719,679                                 | 83,220   | 63,354  | 243,803                             | 31,841              | 20,175   | 26,127                           |    | 3,188,199     | 3,092,401     |
| Fund balances, end of year          | \$ 2,757,842                              | 74,961   | 63,748  | 248,469                             | 32,117              | 20,378   | 26,127                           | \$ | 3,223,642     | \$ 3,188,199  |

See accompanying notes to financial statements.

# THE CORPORATION OF THE CITY OF TIMMINS

## TRUST FUNDS

### Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

|   | 2021       | 2020       |
|---|------------|------------|
| Cash provided by (used in):                       |            |            |
| Operating activities:                             |            |            |
| Change in fund balances                           | \$ 35,443  | \$ 95,798  |
| Change in non-cash assets:                        |            |            |
| Decrease (increase) in due from (to) revenue fund | 52,943     | (77,129)   |
| Net change in cash from operating activities      | 88,386     | 18,669     |
| Investing activities:                             |            |            |
| Increase in investments                           | (94,301)   | (53,442)   |
| Net change in cash from investing activities      | (94,301)   | (53,442)   |
| Net change in cash                                | (5,915)    | (34,773)   |
| Cash, beginning of year                           | 507,869    | 542,642    |
| Cash, end of year                                 | \$ 501,954 | \$ 507,869 |

The accompanying notes are an integral part of these consolidated financial statements.

# CORPORATION OF THE CITY OF TIMMINS

## TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2021

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The Corporation of the City of Timmins Trust Funds (the "Funds") consists of various trust funds administered by the Corporation of the City of Timmins (the "City").

The Funds are not subject to income taxes under Section 149 (1) of the Income Tax Act (Canada).

### 1. Basis of presentation:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

These financial statements include trust funds administered by the City as well as those within organizations that are accountable for the administration of their financial affairs and resources to City Council and are owned or controlled by the City. The Fund's financial statements are the responsibility of management and have been prepared in accordance with the accounting policy set out below.

### 2. Significant accounting policies:

#### (a) Revenue recognition:

Revenues from all sources are reported as revenue in the period in which they are earned.

#### (b) Financial instruments:

Financial assets and liabilities are recorded at fair value on initial recognition. They are then subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Funds has not elected to carry any such financial assets or liabilities at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Funds determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Funds expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# CORPORATION OF THE CITY OF TIMMINS

## TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2021

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### **2. Significant accounting policies (continued):**

#### **(c) Estimates:**

The preparation of financial statements 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 dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

### **3. Ontario Home Renewal Program:**

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans were limited to \$7,500 of which the maximum forgivable portion was \$4,000. The program is no longer in place.

Ontario Home Renewal Program loans receivable at December 31, 2021 comprise repayable loans of \$17,640 (2020-\$17,640). In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

### **4. Investments:**

The total for investments by trust funds of \$2,489,888 (2020-\$2,395,587) are recorded at cost and have a market value of \$2,802,723 (2020 - \$2,655,929).

### **5. Due from the Corporation of the City of Timmins:**

The balances due from/to the City are non-interest bearing and are due on demand.

### **6. Care and maintenance funds:**

The Care and Maintenance Funds administered by the City are funded by the sale of cemetery plots. These funds are invested, and earnings derived from the investments are used to perform care and maintenance to the City's cemeteries. The operations and investments of the Funds are undertaken by the City in accordance with the regulations of the Cemeteries Act.