



AGENDA

Corporation of the Town of Kirkland Lake
Regular Meeting of Council
Electronically via Zoom
July 14, 2020
4:40 p.m.

1. **Call to Order and Moment of Silence**

2. **Approval of the Agenda**

BE IT RESOLVED THAT the Agenda for the Regular Meeting of Council held on July 14, 2020 beginning at 4:40 p.m. be approved as circulated to all Members of Council.

3. **Declaration of Pecuniary Interest**

4. **Petitions and Delegations**

4.1 2019 Audit Report
Lloyd Crocker, Grant Thornton

BE IT RESOLVED THAT the presentation by Lloyd Crocker from Grant Thornton on the 2019 Audit Report be received.

5. **Acceptance of Minutes and Recommendations**

BE IT RESOLVED THAT Council accept the minutes of the following meetings:

- *Minutes of the Regular Meeting of Council held June 16, 2020*
- *Minutes of the Special Meeting of Council held June 23, 2020*

6. **Reports of Municipal Officers and Communications**

6.1 2019 Audited Financial Statements
Keith Gorman, Treasurer

BE IT RESOLVED THAT Report Number 2020-FIN-003 entitled "2019 Audited Financial Statements", be received,

THAT Council for the Corporation of the Town of Kirkland Lake hereby approves the Consolidated Financial Statements of the Town of Kirkland Lake for the year ended December 31, 2019,

PLEASE NOTE: All items on this Agenda are for Council's consideration and will be voted on at the meeting.

THAT Council for the Corporation of the Town of Kirkland Lake hereby approves the Trust Funds Balance Sheet and Statement of Continuity of the Town of Kirkland Lake and its affiliated Boards for the year ended December 31, 2019, and

THAT Council for the Town of Kirkland Lake hereby authorizes staff to distribute the Audited Financial Statement as required by Section 295 (1) of the Municipal Act, 2001.

6.2 COVID-19 Update, Verbal
Ric McGee, CAO

BE IT RESOLVED THAT the verbal update titled “**COVID-19 Update**” be received.

6.3 Town of Kirkland Lake –Organizational Structure and Training Update
Ric McGee, CAO

BE IT RESOLVED THAT Report Number 2020-CAO-005 entitled “**Town of Kirkland Lake – Organizational Structure and Training Update**” be received.

6.4 Award of RFP-553-20: Integrity Commissioner
Meagan Elliott, Clerk

BE IT RESOLVED THAT Report Number 2020-CLK-002 entitled “**Award of RFP-553-20: Integrity Commissioner**” be received,

THAT staff be directed to award the services of an Integrity Commissioner to ADR Chambers Inc., and

THAT staff be directed to present a by-law to authorize the execution of an agreement with ADR Chambers Inc. to be the Integrity Commissioner for the Corporation of the Town of Kirkland Lake for a 5 year term with an option to renew for 2 years.

6.5 Sanitary Sewer Blockage Policy
Michel Riberdy, General Manager of Public Works

BE IT RESOLVED THAT the Sanitary Sewer Blockage Policy be received, and

THAT staff be directed to implement, administer and upload the Sanitary Sewer Blockage Policy to the Town’s website and forward copies to plumbing contractors that work in the Town of Kirkland Lake.

6.6 Leasing of and Encroachments onto Municipal Property Policy - Update
Ashley Bilodeau, Manager of Land Development and Planning

BE IT RESOLVED THAT Report Number 2020-DEV-032 entitled “**Leasing of and Encroachments onto Municipal Property Policy – Update**”, be received,

THAT Council for the Corporation of the Town of Kirkland Lake hereby repeals the existing Leasing of and Encroachments onto Municipal Property Policy;

THAT Council of the Corporation of the Town of Kirkland Lake hereby approves the new Leasing of and Encroachments onto Municipal Property Policy;

THAT staff be directed to implement, administer and upload the new Leasing of and Encroachments onto Municipal Property Policy to the Town's website; and

THAT staff circulate the new Policy and potential impacts to existing lease holders and provide options for 2021.

6.7 Temporary Use By-law for Temporary Patio Expansions
Ashley Bilodeau, Manager of Land Development and Planning

BE IT RESOLVED THAT Report Number 2020-DEV-033 entitled "**Temporary Use By-law for Temporary Patio Expansions**" be received,

THAT a Temporary By-law be passed to authorize the Corporation of the Town of Kirkland Lake to allow temporary patios under the Zoning By-law, with the following provisions:

Outdoor patios accessory to an existing permitted restaurant may be located on an adjacent property, or within a parking area, parking space or drive aisle provided:

- a) There shall be no restriction on the maximum area of an outdoor patio;
- b) Notwithstanding Section a) above, an outdoor patio located within a parking area shall not occupy more than the greater of:
 - 1. 4 of the required parking spaces; or
 - 2. 33% of the provided parking spaces for the use.
- c) An outdoor patio area associated with a restaurant or brewery shall be exempt from requirements for provision of parking spaces.
- d) The outdoor patio area does not occupy any fire route.
- e) The outdoor patio does not occupy accessible parking spaces.
- f) The outdoor patio shall not be used to provide entertainment such as performances, music and dancing.
- g) An outdoor patio shall be setback a minimum distance of 1.0 metre from the mutual property line shared with a municipal road; 1.5 metre from all other property lines or 1.2 metres from a parking area.
- h) An outdoor patio shall be setback 12.1 metres from a property line with a dwelling unless permission from the owner of the property is obtained.

i) The property owner is exempt from requiring a Site Plan Control Agreement amendment to accommodate the temporary outdoor patio,

THAT the Temporary Seasonal Patio Program be amended to permit canopies and covered patio areas, so long as two full sides of the outdoor dining area are open to the outdoors.

THAT the Temporary Seasonal Patio Program shall remain in effect until the Order under Subsection 7.0.2 of the Emergency Management and Civil Protection Act is revoked.

6.8 Request from Green For Life Environmental (GFL) to Modify Waste/Recycling Collection Schedule
Ashley Bilodeau, Manager of Land Development and Planning

BE IT RESOLVED THAT the correspondence from GFL regarding a request to modify the current collection schedule, be received,

THAT Report Number 2020-DEV-034 entitled “**Request from Green For Life Environmental (GFL) to Modify Waste/Recycling Collection Schedule**” be received, and

THAT this report be referred to the August 11, 2020 Regular Meeting of Council to allow Council adequate time to review and consider the proposed modifications to the collection schedule, with the following recommendation:

THAT staff be directed to modify the waste and recycling schedule in accordance with the proposal submitted by GFL, and

THAT GFL shall be responsible for the promotion of the new collection schedule with support from the Town’s media platforms.

7. Consideration of Notices of Motion

8. Introduction, Reading and Consideration of By-Laws

Bylaw 20-064 Being a bylaw to repeal by-law 20-041 being a by-law to appoint a Deputy Chief Building Official and Property Standards Officer

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-064, Being a bylaw to repeal by-law 20-041 being a by-law to appoint a Deputy Chief Building Official and Property Standards Officer

Bylaw 20-065 Being a bylaw to amend the Corporation of the Town of Kirkland Lake's Zoning By-Law number 12-019

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-065, being a bylaw to amend the Corporation of the Town of Kirkland Lake's Zoning By-Law number 12-019

9. **Questions from Council to Staff**

10. **Notice(s) of Motion**

11. **Councillor's Reports**

12. **Additional Information**

12.1 Universal Basic Income
Councillor Stacy Wight

BE IT RESOLVED THAT the resolution from the Municipality of West Elgin regarding a universal basic income program be received, and

THAT Council of the Corporation of the Town of Kirkland Lake respectfully requests that the Government of Ontario and the Government of Canada investigate the feasibility of implementing a universal basic income program.

12.2 Access to Affordable Broadband
Councillor Stacy Wight

BE IT RESOLVED THAT the resolution from the Municipality of West Elgin regarding access to affordable broadband be received, and

THAT Council of the Corporation of the Town of Kirkland Lake respectfully requests that the Government of Ontario investigate the implementation of broadband in the under-serviced areas of Kirkland Lake. Closed Session

13. **Closed Session**

14. **Matters from Closed Session**

15. Confirmation Bylaw

Bylaw 20-066 Being a bylaw to confirm the proceedings of Council at its meeting held July 14, 2020

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-066, being a bylaw to confirm the proceedings of Council at its meeting held July 14, 2020.

16. Adjournment

BE IT RESOLVED THAT Council adjourn the July 14, 2020 Regular Meeting of Council.

Municipal Corporation of the Town of Kirkland Lake

For the year ended December 31, 2019

Report to Council
Audit strategy and results

July 14, 2020

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Principal
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Executive summary

Purpose of report and scope

The purpose of this report is to engage in an open dialogue with you regarding our audit of the consolidated financial statements of Municipal Corporation of the Town of Kirkland Lake (the "Town") for the year ended December 31, 2019. This communication will assist Council in understanding the results of audit procedures and includes comments on misstatements, significant accounting policies, sensitive estimates and other matters.

The information in this document is intended solely for the information and use of Council and management. It is not intended to be distributed or used by anyone other than these specified parties.

We have obtained our engagement letter dated November 27, 2019, which outlines our responsibilities and the responsibilities of management.

We were engaged to provide the following deliverables:

Deliverable

Report on the December 31, 2019 consolidated financial statements

Report on the December 31, 2019 Trust Funds financial statements

Status of our audit

We have substantially completed our audit of the consolidated financial statements of the Town and the results of that audit are included in this report.

We will finalize our report upon resolution of the following items that were outstanding as at July 14, 2020:

- Receipt of signed management representation letter
- Receipt of legal confirmation letter
- Approval of the consolidated financial statements by Council
- Procedures regarding subsequent events

Approach

Our audit approach requires that we establish an overall strategy that focuses on risk areas. We identify and assess risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The greater the risk of material misstatement associated with an area of the consolidated financial statements, including disclosures, the greater the audit emphasis placed on it in terms of audit verification and analysis. Where the nature of a risk of material misstatement is such that it requires special audit consideration, it is classified as a significant risk.

Audit risks and results

We have executed our audit in accordance with our approach summarized in Audit Strategy report dated January 21, 2019. We highlight our significant findings in respect of transactions, risks, accounting practices and other areas of focus.

Significant risks

Area of focus	Why there is a risk	Our response and findings
Fraud risk from revenue recognition	<p>There is a presumed risk of fraud in revenue.</p> <p>The risk primarily relates to revenue recognized under revenue from grants.</p> <p>There is a risk that surplus grant revenue received will not be repaid by recognizing fictitious or ineligible expenditures.</p> <p>There is also a risk that revenue from conditional grants will be recognized prior to stipulations under the grant agreement being met.</p>	<p>Traced a sample of transactions to verify that the grant expenditure was eligible and recognized in the correct period.</p> <p>Reviewed grant agreements to ensure grant stipulations were being met.</p>
Fraud risk from management override	<p>This is a presumed fraud risk.</p> <p>The risk primarily relates to the fact that management can use journal entries to override internal controls.</p>	<p>Procedures performed to test journal entries and accounting estimates.</p> <p>No exceptions noted.</p>
Fraud risk from lack of segregation of duties	<p>A lack of segregation of duties increases the risk of errors and fraud going undetected.</p> <p>The risk primarily relates to unauthorized changes to pay rates by those who have access to the payroll Masterfile.</p>	<p>For employees who have access to the payroll Masterfile, agree their pay rate from the payroll Masterfile to the approved pay rates (per Council Resolution and/or new HR Policies).</p> <p>No exceptions noted.</p>

Accounting practices

Area of focus	Matter	Our response and findings
Accounting estimates	Significant accounting estimates include estimated useful lives of tangible capital assets, employee benefits payable and solid waste landfill closure and post-closure liabilities.	<ul style="list-style-type: none"> Tangible capital assets are amortized on a straight-line basis over their estimated useful lives. Estimated useful lives of tangible capital assets are determined by Council from historical information and results, and were approved through by-law. Amortization expense in 2019 appears reasonable based on estimated useful lives per by-law. <p>Allowance for uncollectible taxes. Substantively test, with a select number of taxpayers, outstanding balances as at December 31, 2019. Based on our audit procedures, we have concluded that management's estimated allowance for uncollectible taxes appears reasonable.</p> <ul style="list-style-type: none"> Future employee benefits payable. An estimate of the liability related to employee future benefits is calculated by the municipality's actuary. Future employee benefits payable appears reasonable based on the actuary's work.

Adjustments and uncorrected misstatements

Adjustments

We have no adjusted misstatements to report.

Uncorrected misstatements

Our audit identified the unadjusted non-trivial misstatements noted below.

Increase (Decrease)	Balance sheet			Income effect	
	Assets	Liabilities	Accumulated Surplus	Annual Surplus	
Description					
To record unaccrued hydro statements and miscellaneous invoices related to the 2019 and 2018 periods (net).	-	84,451	(88,923)	4,472	
Total uncorrected misstatements	\$ -	\$ 84,451	\$ (88,923)	\$ 4,472	

Summary of disclosure matters

Our audit did not identify any unadjusted non-trivial misstatements of disclosure matters.

Other reportable matters

Internal control

The audit is designed to express an opinion on the consolidated financial statements. We obtain an understanding of internal control over financial reporting to the extent necessary to plan the audit and to determine the nature, timing and extent of our work. Accordingly, we do not express an opinion on the effectiveness of internal control.

If we become aware of a deficiency in your internal control over financial reporting, the auditing standards require us to communicate to Council those deficiencies we consider significant. However, a financial statement audit is not designed to provide assurance on internal control.

Based on the results of our audit, we did not identify any significant deficiencies in internal control.

Independence

We have a rigorous process where we continually monitor and maintain our independence. The process of maintaining our independence includes, but is not limited to:

- Identification of threats to our independence and putting into place safeguards to mitigate those threats. For example, we evaluate the independence threat of any non-audit services provided to the Town
- Confirming the independence of our engagement team members

We have identified no information regarding our independence that in our judgement should be brought to your attention.

Technical updates – highlights

Accounting

Accounting standards issued by the Accounting Standards Board that may affect the Town in future years include:

- Section 3400 Revenues
- Section 3280 Asset retirement obligations
- Section PS 3450 Financial instruments, Section PS 2601 Foreign currency translation, Section PS 1201 Financial statement presentation, and PS 3401 Portfolio investments

Further details of the changes to accounting standards, including management's preliminary comments on their applicability to the Town, are included in Appendix F. If you have any questions about these changes we invite you to raise them during our next meeting. We will be pleased to address your concerns.

Assurance

Auditing standards issued by the AASB that may change the nature, timing and extent of our audit procedures on the Town and our communication with Council include:

- Amendments to CAS 540 Auditing Accounting Estimates, including Fair Value Accounting Estimates, and Related Disclosures
- Amendments to CAS 315 Identifying and Assessing Risks of Material Misstatement

Further details of the changes to assurance standards, including management's preliminary comments on their applicability to the Town, are included in Appendix E. If you have any questions about these changes we invite you to raise them during our next meeting. We will be pleased to address your concerns.

Appendix A – Overview and approach

Our audit is planned with the objective of obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, so that we are able to express an opinion on whether the consolidated financial statements are prepared, in all material respects, in accordance with Canadian Public Sector Accounting Standards. The following outlines key concepts that are applicable to the audit, including the responsibilities of parties involved, our general audit approach and other considerations.

Roles and responsibilities

Role of Council	<ul style="list-style-type: none">• Help set the tone for the organization by emphasizing honesty, ethical behaviour and fraud prevention• Oversee management, including ensuring that management establishes and maintains internal controls to provide reasonable assurance regarding reliability of financial reporting• Recommend the nomination and compensation of external auditors• Directly oversee the work of the external auditors including reviewing and discussing the audit plan
Role of management	<ul style="list-style-type: none">• Prepare consolidated financial statements in accordance with Canadian Public Sector Accounting Standards• Design, implement and maintain effective internal controls over financial reporting processes, including controls to prevent and detect fraud• Exercise sound judgment in selecting and applying accounting policies• Prevent, detect and correct errors, including those caused by fraud• Provide representations to external auditors• Assess quantitative and qualitative impact of misstatements discovered during the audit on fair presentation of the financial statements
Role of Grant Thornton LLP	<ul style="list-style-type: none">• Provide an audit opinion that the financial statements are in accordance with Canadian Public Sector Accounting Standards• Conduct our audit in accordance with Canadian Generally Accepted Auditing Standards (GAAS)• Maintain independence and objectivity• Be a resource to management and to those charged with governance• Communicate matters of interest to those charged with governance• Establish an effective two-way communication with those charged with governance, to report matters of interest to them and obtain their comments on audit risk matters

Audit approach

Our understanding of the Town and its operations drives our audit approach, which is risk based and specifically tailored to Municipal Corporation of the Town of Kirkland Lake.

The five key phases of our audit approach



Phase	Our approach
1. Planning	<ul style="list-style-type: none"> • We obtain our understanding of your operations, internal controls and information systems • We plan the audit timetable together
2. Assessing risk	<ul style="list-style-type: none"> • We use our knowledge gained from the planning phase to assess financial reporting risks • We customize our audit approach to focus our efforts on key areas
3. Evaluating internal controls	<ul style="list-style-type: none"> • We evaluate the design of controls you have implemented over financial reporting risks • We identify areas where our audit could be more effective or efficient by taking an approach that includes testing the controls • We provide you with information about the areas where you could potentially improve your controls
4. Testing accounts and transactions	<ul style="list-style-type: none"> • We perform tests of balances and transactions • We use technology and tools, including data interrogation tools, to perform this process in a way that enhances effectiveness and efficiency
5. Concluding and reporting	<ul style="list-style-type: none"> • We conclude on the sufficiency and appropriateness of our testing • We finalize our report and provide you with our observations and recommendations

Our tailored audit approach results in procedures designed to respond to an identified risk. The greater the risk of material misstatement associated with the account, class of transactions or balance, the greater the audit emphasis placed on it in terms of audit verification and analysis.

Throughout the execution of our audit approach, we maintained our professional skepticism, recognizing the possibility that a material misstatement due to fraud could exist notwithstanding our past experiences with the entity and our beliefs about management’s honesty and integrity.

Materiality

The purpose of our audit is to provide an opinion as to whether the consolidated financial statements are prepared, in all material respects, in accordance with Canadian Public Sector Accounting Standards as at December 31, 2019. Therefore, materiality is a critical auditing concept and as such we apply it in all stages of our engagement.

The concept of materiality recognizes that an auditor cannot verify every balance, transaction or judgment made in the financial reporting process. During audit planning, we made a preliminary assessment of materiality for the purpose of developing our audit strategy, including the determination of the extent of our audit procedures. During the completion stage, we consider not only the quantitative assessment of materiality, but also qualitative factors, in assessing the impact on the consolidated financial statements, our audit opinion and whether the matters should be brought to your attention.

Our materiality for the current audit was \$700,000.

Fraud risk factor considerations

We are responsible for planning and performing the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement caused by error or by fraud. Our responsibility includes:

- The identification and assessment of the risks of material misstatement of the consolidated financial statements due to fraud through procedures including discussions amongst the audit team and specific inquiries of management
- Obtaining sufficient appropriate audit evidence to respond to the fraud risks noted
- Responding appropriately to any fraud or suspected fraud identified during the audit

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may not be detected and this is particularly true in relation to fraud. The primary responsibility for the prevention and detection of fraud rests with those charged with governance and management.

We are required to communicate with you on fraud-related matters, including:

- Obtaining an understanding of how you exercise oversight of management's processes for identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate these risks
- Inquiring as to whether you have knowledge of any actual, suspected or alleged fraud affecting the entity

The following provides a summary of some of the fraud related procedures that are performed during the audit:

- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the consolidated financial statements
- Reviewing accounting estimates for biases
- Evaluating the business rationale (or the lack thereof) for significant transactions that are or appear to be outside the normal course of operations

Quality control

We have a robust quality control program that forms a core part of our client service. We combine internationally developed audit methodology, data analytics technology that allows us to examine large amounts of data, rigorous review procedures, mandatory professional development requirements, and the use of specialists to deliver high quality audit services to our clients. In addition to our internal processes, we are subject to inspection and oversight by standard setting and regulatory bodies. We are proud of our firm's approach to quality control and would be pleased to discuss any aspect with you at your convenience.

Appendix B – Audit plan and risk assessment

We have executed our audit in accordance with our plan outlined below. We continually reassess the need for changes to our planned audit approach throughout the audit.

Risk assessment

Our risk assessment process identified certain significant risks, which are included under “Audit risks and results” in our report. In addition, we identified certain other areas where we focused our attention as follows:

Risk area	Why it is a risk area	Audit procedures and findings
Subsequent events	<p>The COVID-19 virus became widespread in January 2020 and the magnitude of its impact increased thereafter. Management determined the following impact(s) resulting from COVID-19 to be material non-adjusting subsequent events, and has included the appropriate disclosures in the consolidated financial statements, including the nature and estimated financial effect of each specific impact identified:</p> <ul style="list-style-type: none">• Closure of Municipal facilities• Passing of by-law for reduction in fines, penalties and interest on municipal tax revenue	<p>Review disclosure and details included.</p> <p>Inquire with management on any additional items.</p> <p>No exceptions noted.</p>
Tax Revenue	<p>The revenue and receivables from taxes levied may not be valid due to taxpayer collections being misapplied by those recording the receipt.</p>	<p>Test accounts receivable using statistical sampling.</p> <p>Review of tax revenue recorded in relation to 2019 tax by-law.</p> <p>No exceptions noted.</p>

Risk area	Why it is a risk area	Audit procedures and findings
Operating Expenses	<p>There is a risk that payables related to core activities are understated or not recorded in the correct period.</p> <p>There is also a risk that the landfill closure and post-closure liability obligations are not properly calculated and disclosed.</p>	<p>Review supporting documentation and management estimates with respect to the completeness and accuracy of significant year end accruals.</p> <p>Perform subsequent payments testing.</p> <p>For landfill accrual, review liability calculation, verify the completeness and accuracy of the underlying data, and examine the assumptions to determine their appropriateness.</p> <p>No exceptions noted.</p>
Tangible capital assets	<p>There is a risk that capital asset activity is not valid.</p> <p>There is also a risk that the allowance for amortization is not adequate.</p>	<p>Test significant additions for existence and to ensure adherence to procurement policies.</p> <p>Analytical assessment of amortization expense.</p> <p>No exceptions noted.</p>
Post-employment benefits and compensated absences	<p>There is a risk that the liabilities are understated, or the underlying assumptions aren't valid.</p>	<p>Obtained actuarial report and confirmed qualifications, membership standing with professional associations, and independence.</p> <p>Assessed significant underlying assumptions.</p> <p>Assessed employee benefit policies for significant changes.</p> <p>No exceptions noted.</p>
Long-term debt	<p>There is a risk that long-term debt is understated.</p>	<p>Confirm balances with lending institutions and review minutes for evidences of undisclosed new debt.</p> <p>No exceptions noted.</p>

Group audit

In forming our opinion on the financial statements, we planned to perform work on the financial information of the components as follows:

Component	Component auditor	Audit response and engagement team involvement
The Town of Kirkland Lake Solar Inc.	Baker Tilly HKC	<p>The Town is a shareholder in The Town of Kirkland Lake Solar Inc. ("KLS") and this investment represents a non-significant component in the Town's consolidated financial statements. The audit report for KLS was issued by Baker Tilly HKC in Kapuskasing. The Town's engagement team used the KLS audited financial statements as part of the audit response to the investment in KLS. Because the investment is non-significant, no communication was required with the auditor of KLS.</p>

Appendix C – Draft independent auditor’s reports

Independent auditor’s report (Municipality)

To the Members of Council, Inhabitants and Ratepayers of The Municipal Corporation of the Town of Kirkland Lake

Opinion

We have audited the consolidated financial statements of The Municipal Corporation of the Town of Kirkland Lake (“the Town”), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipal Corporation of the Town of Kirkland Lake as at December 31, 2019, and its results of operations, its changes in its 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 responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town 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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 consolidated 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 Town’s ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 risks 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. 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town'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 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 auditor's report. However, future events or conditions may cause the Town 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Kirkland Lake, Canada

Chartered Professional Accountants
Licensed Public Accountants

Independent auditor's report (Trust Funds)

To the members of Council

Opinion

We have audited the financial statements of Municipal Corporation of the Town of Kirkland Lake (and its affiliated Boards) Trust Funds ("the Trust Funds"), which comprise the balance sheet as at December 31, 2019, and the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Municipal Corporation of the Town of Kirkland Lake (and its affiliated Boards) Trust Funds for the year ended December 31, 2019 are prepared, in all material respects, in accordance with disclosed basis of accounting in Note 2 to the financial statements.

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 Trust Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Trust Funds in reporting to the Municipal Corporation of the Town of Kirkland Lake. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Municipal Corporation of the Town of Kirkland Lake and should not be distributed to or used by parties other than the Municipal Corporation of the Town of Kirkland Lake. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with disclosed basis of accounting in Note 2 to the financial statements 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.

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

Kirkland Lake, Canada

Chartered Professional Accountants
Licensed Public Accountants

Appendix D – Draft management representation letter

July 14, 2020

Grant Thornton LLP
32 Prospect Avenue, Suite 3
Kirkland Lake, ON P2N 2V4

Dear Sir/Madam:

We are providing this letter in connection with your audit of the financial statements of the Municipal Corporation of the Town of Kirkland Lake (“the Town”) and the Town’s Trust Funds as of December 31, 2019, and for the year then ended, for the purpose of expressing an opinion as to whether the consolidated financial statements and Trust Funds financial statements (“financial statements”) present fairly, in all material respects, the financial position, results of operations, and cash flows of the Town and Trust Funds in accordance with Canadian public sector accounting standards.

We acknowledge that we have fulfilled our responsibilities for the preparation of the financial statements in accordance with Canadian public sector accounting standards and for the design and implementation of internal controls to prevent and detect fraud and error. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards (GAAS) so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of July 14, 2020, the following representations made to you during your audit.

Financial statements

- 1 The financial statements referred to above present fairly, in all material respects, the financial position of the Town and Trust Funds as at December 31, 2019 and the results of their operations and their cash flows for the year then ended in accordance with Canadian public sector accounting standards, as agreed to in the terms of the audit engagement.

Completeness of information

- 2 We have made available to you all financial records and related data and all minutes of the meetings of Council and committees of Council, as agreed in the terms of the audit engagement. Summaries of actions of recent meetings for which minutes have not yet been prepared have been provided to you. All significant Council and committee actions are included in the summaries.
- 3 We have provided you with unrestricted access to persons within the Town from whom you determined it necessary to obtain audit evidence.
- 4 There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- 5 There were no restatements made to correct a material misstatement in the prior period financial statements that affect the comparative information.
- 6 We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
- 7 We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
- 8 We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting of which we are aware.
- 9 We have identified to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements guarantees, non-monetary transactions and transactions for no consideration.

Fraud and error

- 10 We have no knowledge of fraud or suspected fraud affecting the Town or Trust Funds involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the financial statements.
- 11 We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's and Trust Funds' financial statements communicated by employees, former employees, analysts, regulators or others.
- 12 We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- 13 We believe that there are no uncorrected financial statement misstatements relating to the Trust Funds.

14 We believe that the effects of the uncorrected financial statement misstatement summarized below is immaterial to the Town's consolidated financial statements taken as a whole:

Description	Balance sheet			Income effect	
	Assets	Liabilities	Accumulated Surplus	Annual Surplus	
To record unaccrued hydro statements and miscellaneous invoices related to the 2019 and 2018 periods (net).	-	84,451	(88,923)	4,472	
Total uncorrected misstatements	\$ -	\$ 84,451	\$ (88,923)	\$ 4,472	

Recognition, measurement and disclosure

- 15 We believe that the significant assumptions used by us in making accounting estimates, including those used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements, are reasonable and appropriate in the circumstances.
- 16 We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, both financial and non-financial, reflected in the financial statements.
- 17 All related party transactions have been appropriately measured and disclosed in the financial statements.
- 18 The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- 19 All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
- 20 All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- 21 There are no "off-balance sheet" financial instruments that exist.
- 22 The Town and Trust Funds did not purchase any derivative financial instruments during the year.
- 23 With respect to environmental matters:
- at year end, there were no liabilities or contingencies that have not already been disclosed to you;
 - liabilities or contingencies have been recognized, measured and disclosed, as appropriate, in the financial statements; and
 - commitments have been measured and disclosed, as appropriate, in the financial statements.
- 24 The Town and Trust Funds have satisfactory title to (or lease interest in) all assets, and there are no liens or encumbrances on the Town's or Trust Funds' assets nor has any been pledged as collateral.

- 25 We have disclosed to you, and the Town and Trust Funds have complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
- 26 The Goods and Services Tax (GST) and Harmonized Sales Tax (HST) transactions recorded by the Town and Trust Funds are in accordance with the federal and provincial regulations. The GST and HST liability/receivable amounts recorded by the Town and Trust Funds are considered complete.
- 27 Employee future benefit costs, assets, and obligations have been determined, accounted for and disclosed in accordance with the requirements of Section 3255 *Post Employment Benefits, Compensated Absences and Termination Benefits* of the Canadian public sector accounting standards issued by the Public Sector Accounting Board.
- 28 There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements other than those disclosed in Note 20 to the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.
- 29 We have considered the impact that the COVID-19 pandemic has had to date on the operations of the Town and have concluded that the pandemic is a non-adjusting subsequent event.

Other

- 30 We have considered whether or not events have occurred or conditions exist which may cast significant doubt on the Town's and Trust Funds' ability to continue as a going concern and have concluded that no such events or conditions are evident.

Yours very truly,

Treasurer

Chief Administrative Officer

Appendix E – Auditing developments

Canadian Auditing Standards (CASs) and other Canadian Standards issued by the AASB	Effective date	Assessment of applicability
<p>Amendments to CAS 701, <i>Communicating Key Audit Matters in the Independent Auditor's Report</i></p> <p>New reporting standards were required to be applied for audits of entities with periods ending on or after December 15, 2018. One of the updated standards, CAS 701, dealt with the requirements when the auditor would be communicating matters judged to be most significant to the audit in the audit report, either because the auditor had chosen to do so or because law or regulation required key audit matters to be described in the auditor's report.</p> <p>In late 2019, the AASB finalized further amendments to the auditor reporting standards such that auditors would be required to communicate key audit matters in the auditor's report for complete sets of general purpose financial statements of entities listed on the Toronto Stock Exchange (TSX) and other listed entities, excluding entities required to comply with National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i> ("NI 81-106").</p>	<p>The communication of key audit matters in the auditor's report is required for audits of entities listed on the TSX, other than entities required to comply with NI 81-106, for periods ending on or after December 15, 2020 and for other listed entities, other than entities required to comply with NI 81-106, for periods ending on or after December 15, 2022.</p>	<p>No impact on 2019 audit.</p>
<p>Revisions to CAS 540 <i>Auditing Accounting Estimates, including Fair Value Accounting Estimates, and Related Disclosures</i></p> <p>In June 2018, the IAASB approved a revised version of ISA 540 <i>Auditing Accounting Estimates and Related Disclosures</i>. In revising the standard, the IAASB focused on improving the scalability of the ISA to very simple accounting estimates, as well as the most complex accounting estimates. The standard was also revised to clarify the relationship between ISA 540 (revised) and the other ISAs and the requirements when using the work of management's expert as audit evidence in testing how management made the accounting estimate. The AASB concluded that the changes to the ISA would be adopted as CASs, with no special amendments being necessary with respect to the Canadian auditing environment.</p>	<p>The revised standard is effective for audits of financial statements with periods beginning on or after December 15, 2019.</p>	<p>No impact on 2019 audit.</p>
<p>CSAE 3530 - <i>Special Considerations - Attestation Engagements to Report on Compliance</i> and CSAE 3531 - <i>Special Considerations - Direct Engagements to Report on Compliance</i></p> <p>These standards set out specific requirements and application material applicable when applying CSAE 3000 or CSAE 3001 (discussed above), as appropriate, to engagements to report on compliance.</p> <p>CSAE 3530 and CSAE 3531 will replace the following sections:</p> <ul style="list-style-type: none"> • Section 5800 - <i>Special Reports - Introduction</i> • Section 5815 - <i>Auditor's Reports on Compliance with Agreements, Statutes and Regulations</i> • Section 8600 - <i>Reviews of Compliance with Agreements and Regulations</i> • Paragraphs PS 5300.11-13 of <i>Auditing for Compliance with Legislative and Related Authorities in the Public Sector</i> <p>The public interest considerations behind this project are to improve consistency in how practitioners perform these types of engagements and to require more transparency and clarity in reporting.</p>	<p>CSAE 3530 and CSAE 3531 are effective for compliance reports dated on or after April 1, 2019, with early adoption permitted.</p>	<p>No impact on 2019 audit.</p>
<p>Section 7170 <i>Auditor's Consent to the Use of the Auditor's Report in Connection with a Designated Document</i></p> <p>The AASB amended Section 7170 to include certain materials from Section 7500. Section 7500 has been withdrawn. The change to the structure of the Handbook makes it clear what standard the auditor must use when providing consent. The</p>	<p>The revised standard is applicable for consents issued on or after June 1, 2019.</p>	<p>No impact on the 2019 audit.</p>

Canadian Auditing Standards (CASs) and other Canadian Standards issued by the AASB	Effective date	Assessment of applicability
<p>revised Section 7170 is used when the auditor is requested to provide consent in connection with audited financial statements or a document containing audited financial statements being filed with securities regulatory authorities (unless the document is addressed by Section 7150). Such items may be included to assist officers and directors of the entity (or acquirer of a business in the case of consent in connection with a Business Acquisition Report) in conducting a reasonable investigation for purposes of a due diligence defence or similar.</p>		
<p>Revisions to CAS 315 <i>Identifying and Assessing Risks of Material Misstatement</i></p> <p>In July 2018, the IAASB issued an Exposure Draft proposing changes to ISA 315 that could drive more consistent and effective identification and assessment of the risks of material misstatement by auditors. The AASB published an Exposure Draft of the equivalent Canadian standard, which included the same proposed revisions as the ISA with no Canada-specific amendments. The revised CAS 315 has been approved and is expected to be issued in the May 2020 CPA Canada handbook update. Key amendments to the standard include the following:</p> <ul style="list-style-type: none"> • Focusing on the applicable financial reporting framework in identifying and assessing risks of material misstatement • Updating the understanding of the system of internal control, including clarifying the work effort for understanding each of the components of internal control and "controls relevant to the audit", as well as the relationship between this understanding and the assessment of control risk • Updating aspects relating to IT, in particular to the IT environment, the applications relevant to the audit and general IT controls relevant to the audit • Introducing the new concepts of inherent risk factors, relevant assertions, significant classes of transactions, account balances and disclosures, and the spectrum of inherent risk • Separating the inherent risk and control risk assessments for assertion level risks, enhancing the requirements relating to financial statement level risks, and updating the definition of "significant risks" 	<p>Periods beginning on or after December 15, 2021.</p>	<p>No impact on the 2019 audit.</p>

Appendix F – PSAS

Accounting developments

Public Sector Accounting Standards	Effective date	Management assessment of applicability
<p>Section PS 3400 Revenues</p> <p>New Section PS 3400 <i>Revenue</i> establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers, tax revenue or restricted revenues. The Section distinguishes between revenue that arises from transactions that include performance obligations (i.e., exchange transactions) and transactions that do not have performance obligations (i.e., non-exchange transactions). The main features of the new Section are:</p> <ul style="list-style-type: none"> • Performance obligations are defined as enforceable promises to provide specific goods or services to a specific payer • Revenue from transactions with performance obligations will be recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payer • Revenue from transactions with no performance obligations will be recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset 	<p>Fiscal years beginning on or after April 1, 2022.</p> <p>Earlier adoption is permitted.</p>	<p>No impact on the 2019 consolidated financial statements.</p>
<p>Section PS 3280 Asset retirement obligations</p> <p>New Section PS 3280 <i>Asset Retirement Obligations</i> establishes standards on how to account for and report a liability for asset retirement obligations. An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset.</p> <p>Asset retirement costs associated with a tangible capital asset increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner, while asset retirement costs associated with an asset no longer in productive use are expensed. Measurement of the liability for an asset retirement obligation should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date. A present value technique is often the best method to estimate the liability. Subsequent measurement of the liability can result in either a change in the carrying amount of the related tangible capital asset, or an expense, depending on the nature of the remeasurement or whether the asset remains in productive use.</p> <p>As a result of the issuance of Section PS 3280, the Public Sector Accounting Board (PSAB) approved the withdrawal of Section PS 3270 <i>Solid waste landfill closure and post-closure liability</i> as asset retirement obligations associated with landfills will be within the scope of PS 3280. PS 3280 does not address costs related to remediation of contaminated sites, which will continue to be addressed in Section PS 3260 <i>Liability for contaminated sites</i>. Some consequential amendments have been made to PS 3260 to conform with PS 3280 and further clarify the scope of each standard.</p>	<p>Fiscal years beginning on or after April 1, 2021.</p> <p>Earlier adoption is permitted.</p>	<p>No impact on the 2019 consolidated financial statements.</p>

Section PS 3450 *Financial instruments*, Section PS 2601 *Foreign currency translation*, Section PS 1201 *Financial statement presentation*, and PS 3041 *Portfolio investments*

PS 3450 *Financial instruments* is a new Section that establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Some highlights of the requirements include:

- a public sector entity should recognize a financial asset or a financial liability on its statement of financial position when it becomes a party to the contractual provisions of the instrument
- financial instruments within the scope of the Section are assigned to one of two measurement categories: fair value, or cost / amortized cost
- almost all derivatives are measured at fair value
- fair value measurement is required for portfolio investments in equity instruments that are quoted in an active market
- other financial assets and financial liabilities are generally measured at cost or amortized cost
- until an item is derecognized, gains and losses arising due to fair value remeasurement are reported in the statement of remeasurement gains and losses
- when the public sector entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis, the entity may elect to include these items in the fair value category
- additional disclosures with respect to financial instruments will be required, including the nature and extent of risks arising from a public sector entity's financial instruments

PS 2601 *Foreign currency translation* revises and replaces Section PS 2600 *Foreign currency translation*. Some highlights of the requirements include:

- the deferral and amortization of foreign exchange gains and losses relating to long-term foreign currency denominated monetary items is discontinued
- until the period of settlement, foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses rather than the statement of operations

PS 1201 *Financial statement presentation* revises and replaces Section PS 1200 *Financial statement presentation*. The main amendment to this Section is the addition of the statement of remeasurement gains and losses.

PS 3041 *Portfolio investments* revises and replaces Section PS 3040 *Portfolio investments*.

The issuance of these new sections also includes consequential amendments to:

- *Introduction to accounting standards that apply only to government not-for-profit organizations*
- PS 1000 *Financial statement concepts*
- PS 1100 *Financial statement objectives*
- PS 2125 *First-time adoption by government organizations*
- PS 2500 *Basic principles of consolidation*
- PS 2510 *Additional areas of consolidation*
- PS 3050 *Loans receivable*
- PS 3060 *Government partnerships*
- PS 3070 *Investments in government business enterprises*
- PS 3230 *Long-term debt*
- PS 3310 *Loan guarantees*
- PS 4200 *Financial statement presentation by not-for-profit organizations*

PSG-6 *Including results of organizations and partnerships applying fair value measurement* was withdrawn as a result of the issuance of these sections.

In January 2019, the PSAB issued an exposure draft to clarify aspects of the Section's application and add new guidance to the transitional provisions of Section PS 3450.

The new requirements are all required to be applied at the same time.

For governments - Fiscal years beginning on or after April 1, 2021. This effective date was amended in March 2018.

For government organizations that applied the CPA Canada Handbook – Accounting prior to their adoption of the CPA Canada Public Sector Accounting Handbook - Fiscal years beginning on or after April 1, 2012.

For all other government organizations - Fiscal years beginning on or after April 1, 2021. This effective date was amended in March 2018.

Earlier adoption is permitted.

No impact on the 2019 consolidated financial statements.

International strategy

The PSAB is reviewing its current approach towards International Public Sector Accounting Standards (IPSAS) with the intent of developing options for its International Strategy. In May 2019, it issued a second Consultation Paper [Reviewing PSAB's Approach to International Public Sector Accounting Standards](#). The Consultation Paper lays out 4 options it is considering:

1. Option I: Status Quo - This option would continue with the existing Canadian-made standard-setting process. Under this option, PSAB would continue to establish PSAS independently from other standard setters.
2. Option II: Adapt IPSAS principles when developing future standards - PSAB would continue to develop PSAS, but future standards would be based on principles in existing individual IPSAS as each is considered by PSAB. The Board would establish a "Criteria for Modifying Principles" document to provide guidance on when departures from IPSAS principles in a standard under consideration are permitted.
3. Option III: Adopt IPSAS except when a departure is permitted - PSAB would adopt IPSAS as issued by the International Public Sector Accounting Standards Board (IPSASB), other than where a departure is permitted. The Board would establish a "Criteria for Modifying Standards" document to provide guidance on when departures from IPSAS are permitted. The Board would endorse all new IPSAS before they become part of the CPA Canada Public Sector Accounting (PSA) Handbook and could still develop standards when a Canadian issue is identified. This option is closest to the Accounting Standard Board's current approach to adopting IFRS Standards for publicly accountable enterprises.
4. Option IV: Adopt IPSAS - Under this option, there would be no endorsement process as PSAB would not have the ability to modify IPSAS before they become part of the PSA Handbook. The Board would not have the ability to develop standards independent of the IPSASB. Although PSAB has not decided on its international strategy at this time, it does not consider Option IV to be a viable option given Canada's strong accrual-based financial reporting framework

The PSAB plans to decide on the future of its international strategy by March 2020. The comment period for the Consultation Paper ended on September 30, 2019 and PSAB is currently deliberating the responses.

Concepts underlying financial performance

In response to feedback from stakeholders, the PSAB is proposing changes to its conceptual framework and its reporting model with a focus on measuring the financial performance of public sector entities. The changes will be made through the following actions:

1. Issuing a revised conceptual framework to replace two Sections in the PSA Handbook:
 - PS 1000 *Financial statement concepts*
 - PS 1100 *Financial statement objectives*
2. Issuing a revised financial statement presentation standard that would replace Section PS 1201 *Financial statement presentation*.

In May 2018, PSAB released two documents for comment related to this project:

Statement of Concepts, A Revised Conceptual Framework for the Canadian Public Sector

A conceptual framework is a clear set of related concepts that act as the foundation for the development of standards and the application of professional judgment. The Statement of Concepts presented and explained key concepts that the PSAB expects to include in a future exposure draft. The components of the PSAB's proposed conceptual framework were as follows:

- characteristics of public sector entities
- financial reporting objectives
- role of financial statements
- financial statement foundations
- financial statement objectives
- qualitative characteristics of information and related considerations
- elements of financial statements
- recognition and measurement
- presentation concepts

The Statement of Concepts also set the foundation for the revised reporting model in the PSAB's concurrently issued Statement of Principles below.

Statement of Principles, A Revised Reporting Model for the Canadian Public Sector

The PSAB is proposing a revised reporting model that builds on the existing reporting model in Section PS 1201 *Financial statement presentation*. The Statement of Principles presented and explained key principles that the PSAB expects to include in a future exposure draft. Some of the main features of the proposals in the Statement of Principles included:

- In the statement of financial position:
 - The net debt indicator would be removed and instead a revised net debt calculation would be moved to its own statement: the statement of net debt or net financial assets
 - The accumulated surplus (deficit) indicator would be relabelled as net assets (net liabilities)
 - A new third component, accumulated other, would be added to net assets or net liabilities (existing Section PS 1201 includes two components of accumulated surplus: accumulated operating surplus or deficit and accumulated remeasurement gains and losses)
 - The structure would be amended to present financial assets, then non-financial assets, followed by liabilities, to arrive at the net assets or net liabilities position
- The statement of operations would be renamed as the statement of surplus or deficit;
- The statement of remeasurement gains and losses would be expanded to reconcile the balances of and changes in all the components of net assets or net liabilities and it would be renamed as the statement of changes in net assets or net liabilities;
- Financing activities would be isolated in the statement of cash flows;
- The statement of changes in net debt would be removed; and
- The budget amounts on the financial statements would be presented using the same basis of accounting, following the same accounting principles, for the same scope of activities, and using the same classifications as the actual amounts.

In March 2019, the PSAB received a high-level summary of the comments received from stakeholders on the Statement of Concepts and the Statement of Principles. As it deliberates the feedback, PSAB is developing two exposure drafts (one for a revised conceptual framework and one for a revised reporting model), which it expects to issue in 2020.



MINUTES

Corporation of the Town of Kirkland Lake
Regular Meeting of Council
Electronically via Zoom
June 16, 2020
4:40 p.m.

Attendance – Electronically

Mayor: Pat Kiely
Councillors: Casey Owens
Stacy Wight
Patrick Adams
Dennis Perrier
Eugene Ivanov
Rick Owen
Staff: Chief Administrative Officer: Ric McGee
Municipal Clerk: Meagan Elliott
Finance Manager/Treasurer: Keith Gorman
Director of Planning and Land Development: Ashley Bilodeau
Director of Community Services: Bonnie Sackrider
General Manager of Public Works: Michel Riberdy
Fire Chief: Rob Adair
Deputy Treasurer: Peter Georgeoff
Director of Care: Nancy Loach
Human Resources Supervisor: Kassandra Young
Director of Economic Development: Wilfred Hass

Call to Order and Moment of Silence

Mayor Pat Kiely requested a moment of silence.

Approval of the Agenda

Moved by: Rick Owen

Seconded by: Dennis Perrier

BE IT RESOLVED THAT the Agenda for the Regular Meeting of Council held on June 16, 2020 beginning at 4:40 p.m. be approved as circulated to all Members of Council with the removal of by-law 20-056 being a bylaw to authorize the execution of documents related to the sale of property located at 2 Premier Avenue East and moving item 13.4 to be discussed prior to item 13.3.

CARRIED

Declaration of Pecuniary Interest

Mayor Pat Kiely requested those present to declare any pecuniary interest with matters appearing on the agenda. Councillor Owen declared a pecuniary interest on the open item Sanitary Sewer Blockage Policy and the closed items of Restructuring Plan and CUPE

Mandate as his son and wife work in waterworks. Councillor Owens declared a pecuniary interest on the open item of Sanitary Sewer Blockage Policy as his residence may be affected by the policy, and Councillor Wight declared a pecuniary interest on the closed Restructuring Plan as her father-in-law is contracted through Public Works.

Petitions and Delegations

There were not petitions or delegations appearing before Council.

Acceptance of Minutes and Recommendations

Moved by: Patrick Adams

Seconded by: Casey Owens

BE IT RESOLVED THAT Council accept the minutes of the following meetings:

- Minutes of the Regular Meeting of Council held June 2, 2020
- Minutes of the Committee of Management held February 24, 2020

CARRIED

Reports of Municipal Officers and Communications

Town of Kirkland Lake – Stage 2 Rollout
Bonnie Sackrider, Director of Community Services

Moved by: Stacy Wight

Seconded by: Eugene Ivanov

BE IT RESOLVED THAT Report Number 2020-CS-006 entitled “**Town of Kirkland Lake - Stage 2 Rollout**”, be received.

CARRIED

Adoption of Strategic Plan
Ashley Bilodeau, Manager of Land Development and Planning

Moved by: Dennis Perrier

Seconded by: Patrick Adams

BE IT RESOLVED THAT Memorandum Number 2020-DEV-003 entitled “**Adoption of Strategic Plan**”, be received, and **THAT** the Strategic Plan as presented on June 16th, 2020 be adopted by Council.

CARRIED

Spring Free Tipping Fees Event - Update
Ashley Bilodeau, Manager of Land Development and Planning

Moved by: Stacy Wight

Seconded by: Casey Owens

BE IT RESOLVED THAT Report Number 2020-DEV-028 entitled “**Spring Free Tipping Fees Event – Update**”, be received, and

THAT staff be directed to explore “Option 1 – Voucher System” and present additional information and recommendations to Council prior to the Fall Free Tipping Fee Event scheduled to occur in September.

CARRIED

Sanitary Sewer Blockage Policy
Michel Riberdy, General Manager of Public Works

Councillor Owen and Councillor Owens disabled audio/video at 5:24pm
Councillor Owen and Councillor Owens enabled audio/video at 5:34pm

Moved by: Eugene Ivanov

Seconded by: Stacy Wight

BE IT RESOLVED THAT Report Number 2020-PW-004 entitled “**Sanitary Sewer Blockage Policy**” be received,

THAT the sanitary sewer blockage policy be referred back to staff for the inclusion of a definition of prohibited substances for the July 14, 2020 Regular meeting of Council.

CARRIED

Introduction, Reading and Consideration of Bylaws

Moved by: Casey Owens

Seconded by: Stacy Wight

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-054, Being a bylaw to establish 2020 user fees for the Corporation of the Town of Kirkland Lake

CARRIED

Moved by: Patrick Adams

Seconded by: Rick Owen

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-055, being a bylaw to amend the Corporation of the Town of Kirkland Lake’s Zoning By-Law No. 12-019

CARRIED

Moved by: Dennis Perrier

Seconded by: Stacy Wight

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-057, being a bylaw to repeal by-laws to sell certain town surplus lands

CARRIED

Moved by: Casey Owens

Seconded by: Eugene Ivanov

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-058, being a bylaw to adopt the 2020 Municipal Budget

CARRIED

Moved by: Stacy Wight

Seconded by: Dennis Perrier

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-059, being a bylaw to adopt the estimates of all sums required during the year and to strike the rates of taxation for the year 2020

CARRIED

Moved by: Eugene Ivanov

Seconded by: Patrick Adams

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-060, being a bylaw to set tax ratios for municipal purposes for the year 2020

CARRIED

Moved by: Dennis Perrier

Seconded by: Casey Owens

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-061, being a bylaw to set the municipal water and wastewater rates for 2020

CARRIED

Notice(s) of Motion

None noted.

Councillor's Reports

Resolution: National Action Plan on Missing & Murdered Indigenous Women
Councillor Stacy Wight

Moved by: Stacy Wight
Seconded by: Rick Owen

BE IT RESOLVED THAT Memorandum Number 2020-CNL-002 entitled “**Resolution: National Action Plan on Missing & Murdered Indigenous Women**”, be received, and **THAT**, a resolution be passed to send a request to Crown-Indigenous Relations Minister, Carolyn Bennett, to release the steps her office is taking to ensure this Action Plan will be completed in a timely fashion; recognizing the Government received the recommendations from the Inquiry a year ago, and the country deserves a cohesive National Action Plan to deal with the issue of Missing and Murdered Indigenous Women across the Country. **AND THAT**, this resolution be shared with our Federal MP, Provincial MPP and all 443 other municipalities within Ontario through AMO so they may also add their municipalities in support of this request.

CARRIED

Recognizing the month of June as Pride month in Kirkland Lake
Councillor Patrick Adams

Moved by: Patrick Adams
Seconded by: Dennis Perrier

BE IT RESOLVED THAT Memorandum Number 2020-CNL-003 entitled “Recognizing the month of June as Pride Month in Kirkland Lake”, be received, and **THAT**, The Corporation of the Town of Kirkland Lake recognizes June as Pride month, and that the Pride flag be flown at Town Hall for the month of June, annually.

CARRIED

Councillor Updates

Members of Council noted their events over the past weeks.

Additional Information

2019 Audited Financial Statement Notice, Verbal
Meagan Elliott, Clerk

Moved by: Casey Owens
Seconded by: Eugene Ivanov

BE IT RESOLVED THAT notice is hereby given in accordance with By-Law 19-078 being a by-law to establish procedures for Public Notice that the 2019 Audited Financial Statement will be presented at the July 14, 2020 Regular Meeting of Council

CARRIED

Essential Workers Day – March 17th
Councillor Patrick Adams

Moved by: Patrick Adams

Seconded by: Rick Owen

BE IT RESOLVED THAT the resolution from the City of Brantford regarding recognizing March 17 as “**Essential Workers Day**”, be received,
THAT Council of the Corporation of the Town of Kirkland Lake respectfully requests that the Government of Ontario and the Government of Canada formally declare March 17 to be Essential Workers Day to honour essential workers.

CARRIED

Closed Session

Moved by: Dennis Perrier

Seconded by: Stacy Wight

BE IT RESOLVED THAT Council move into an In-Camera meeting pursuant to Section 239(2) to discuss 1 land disposition matter, 1 matter involving employee negotiations and 1 matter about identifiable individuals in the corporation.

CARRIED

Council moved into Closed session at 5:54pm

Minutes of the In-Camera Meeting of Council held June 2, 2020

Request to Lease Land

Ashley Bilodeau, Manager of Land Development and Planning

CUPE Mandate

Kassandra Young, Manager of Human Resources

Proposed Restructuring Plan

Richard McGee, CAO

Council rose from Closed at 6:54pm

Matters from Closed Session

Councillor Wight noted she did not need to declare a pecuniary interest as previously noted at the beginning of the meeting.

Confirmation Bylaw

Moved by: Eugene Ivanov

Seconded by: Stacy Wight

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-062, being a bylaw to confirm the proceedings of Council at its meeting held June 16, 2020.

CARRIED

Adjournment

Moved by: Patrick Adams

Seconded by: Dennis Perrier

BE IT RESOLVED THAT Council adjourn the June 16, 2020 Regular Meeting of Council.

CARRIED

The meeting adjourned at: 6:56 pm

Pat Kiely, Mayor

Meagan Elliott, Clerk

DRAFT



MINUTES

Corporation of the Town of Kirkland Lake
Special Meeting of Council
Electronically via Zoom
June 23, 2020
4:40 p.m.

Attendance – Electronically

Mayor: Pat Kiely
Councillors: Casey Owens
Stacy Wight
Patrick Adams
Dennis Perrier
Eugene Ivanov
Rick Owen
Staff: Chief Administrative Officer: Ric McGee
Municipal Clerk: Meagan Elliott
Finance Manager/Treasurer: Keith Gorman
Director of Planning and Land Development: Ashley Bilodeau
Director of Community Services: Bonnie Sackrider
General Manager of Public Works: Michel Riberdy
Fire Chief: Rob Adair
Deputy Treasurer: Peter Georgeoff
Director of Care: Nancy Loach
Human Resources Supervisor: Kassandra Young
Director of Economic Development: Wilfred Hass

Call to Order and Moment of Silence

Mayor Pat Kiely requested a moment of silence.

Approval of the Agenda

Moved by: Eugene Ivanov

Seconded by: Dennis Perrier

BE IT RESOLVED THAT the Agenda for the Special Meeting of Council held on June 23, 2020 beginning at 4:40 p.m. be approved as circulated to all Members of Council.

CARRIED

Declaration of Pecuniary Interest

Mayor Pat Kiely requested those present to declare any pecuniary interest with matters appearing on the agenda. Councillor Ivanov declared a pecuniary interest on the Open item – Temporary Seasonal Patio Program as he is a restaurant business owner. Councillor Owen declared a pecuniary interest on the Closed item CUPE Mandate as his son is a CUPE member.

Reports of Municipal Officers and Communications

Temporary Seasonal Patio Program
Ashley Bilodeau, Manager of Land Development and Planning

Councillor Ivanov disabled his video/audio at 4:44pm
Councillor Ivanov enabled his video/audio at 5:03pm

Moved by: Stacy Wight
Seconded by: Rick Owen

BE IT RESOLVED THAT the correspondence received from Eugene Ivanov on June 17th, 2020 be received.

CARRIED

Moved by: Stacy Wight
Seconded by: Casey Owens

BE IT RESOLVED THAT Report Number 2020-DEV-031 entitled “**Temporary Seasonal Patio Program**”, be received,

THAT Council approve the “Temporary Seasonal Patio Program” as presented,

THAT Council delegate authority to the Director of Development Services to approve applications received under the Temporary Seasonal Patio Program, including Encroachment Agreements into municipal road allowances,

THAT Council direct staff to apply for a Temporary Use By-law to reduce the restrictions associated with expanded patios on private land, and

THAT Council waive user fees associated with establishing a temporary outdoor patio, with the exception of building permits.

CARRIED

Closed Session

Moved by: Patrick Adams
Seconded by: Casey Owens

BE IT RESOLVED THAT Council move into an In-Camera meeting pursuant to Section 239(2) to discuss 1 matter involving employee negotiations.

CARRIED

Council moved into Closed session at 5:01pm

CUPE Mandate
Kassandra Young, Manager of Human Resources

Council rose from Closed at 5:08pm

Matters from Closed Session

None noted.

Confirmation Bylaw

Moved by: Eugene Ivanov
Seconded by: Stacy Wight

BE IT RESOLVED THAT the following bylaw be read a first, second, and third time, numbered, passed, signed by the Mayor and the Clerk, and the Seal of the Corporation be affixed thereto;

Bylaw Number 20-063, being a bylaw to confirm the proceedings of Council at its meeting held June 23, 2020.

CARRIED

Adjournment

Moved by: Casey Owens
Seconded by: Dennis Perrier

BE IT RESOLVED THAT Council adjourn the June 23, 2020 Special Meeting of Council.

CARRIED

The meeting adjourned at: 5:10 pm

Pat Kiely, Mayor

Meagan Elliott, Clerk



REPORT TO COUNCIL

Meeting Date: 7/14/2020	Report Number: 2020-FIN-003
Presented by: Keith Gorman	Department: Corporate Services

REPORT TITLE

2019 Audited Financial Statements

RECOMMENDATION(S)

BE IT RESOLVED THAT Report Number 2020-FIN-003 entitled “**2019 Audited Financial Statements**”, be received,

THAT Council for the Corporation of the Town of Kirkland Lake hereby approves the Consolidated Financial Statements of the Town of Kirkland Lake for the year ended December 31, 2019,

THAT Council for the Corporation of the Town of Kirkland Lake hereby approves the Trust Funds Balance Sheet and Statement of Continuity of the Town of Kirkland Lake and its affiliated Boards for the year ended December 31, 2019, and

THAT Council for the Town of Kirkland Lake hereby authorizes staff to distribute the Audited Financial Statement as required by Section 295 (1) of the *Municipal Act, 2001*.

BACKGROUND

The consolidated financial statements of the Town are prepared by management in accordance with Canadian Public Sector Accounting Standards. These statements reflect the assets, liabilities, revenues and expenditures of the Town of Kirkland Lake, which includes activities of all committees of Council, boards and similar entities that are under the control of Council, including the Public Library Board, Museum of Northern History and the Teck Pioneer Residence Committee of Management.

Section 296 (1) of the *Municipal Act, 2001*, requires municipalities to appoint an Auditor licensed under the *Public Accounting Act, 2004*, who is responsible for:

- a. Annually auditing the accounts and transactions of the municipality and its

-
- local boards and expressing an opinion on the financial statements of these bodies based on the audit; and
- b. Performing duties required by the municipality or local board.

The Town's appointed Auditor is Grant Thornton LLP. Upon Council approval of the Consolidated Financial Statements, Grant Thornton LLP will express an opinion on the consolidated financial statements.

Upon Council approval of the Trust Funds Balance Sheet and Statement of Continuity, Grant Thornton LLP will express an opinion.

R A T I O N A L E

Financial statements have been prepared in accordance with Public Sector Accounting Standards and reviewed internally by senior management. The independent audit completed by Grant Thornton LLP has indicate no concerns relating to the financial statements which should impede approval of the consolidated financial statements.

Approval of the consolidated financial statements will allow for the Town to remain complaint with legislative requirements.

O T H E R A L T E R N A T I V E S C O N S I D E R E D

None noted.

F I N A N C I A L C O N S I D E R A T I O N S

Approval of the Audited Financial Statements will allow for the Town distribute to key stakeholders and remain compliant with conditions of various grants, government agencies, and borrowing arrangements.

R E L A T I O N S H I P T O S T R A T E G I C P R I O R I T I E S

Publication of the 2019 Audited Financial Statements fall within a key pillar of the Strategic Plan - Developing Communications and Openness and Transparency.

A C C E S S I B I L I T Y C O N S I D E R A T I O N S

Not applicable.

CONSULTATIONS

Sheri Matthews – Performance Improvement Coordinator
Richard McGee – Chief Administrative Officer

ATTACHMENTS

Attachment 1 – Audit Strategy and Results Report (Prepared and presented by Grant Thornton)

Attachment 2 – Draft Consolidated Financial Statements of the Municipal Corporation of the Town of Kirkland Lake for the Year Ending December 31, 2019

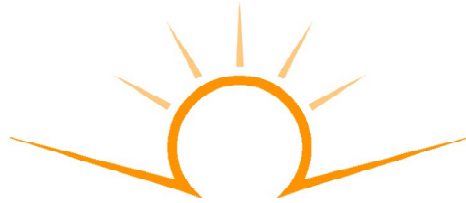
Attachment 3 – Draft Trust Funds Balance Sheet and Statement of Continuity of the Municipal Corporation of the Town of Kirkland Lake for the Year Ending December 31, 2019

Attachment 4 – Financial Statement Discussion and Analysis Presentation

Attachment 5 – Audited Financial Statements of the District of Timiskaming Social Services Administration Board for the Year Ending December 31, 2019

Attachment 6 – Audited Financial Statements of the Timiskaming Health Unit for the Year Ending December 31, 2019

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KIRKLAND LAKE

T H E R I G H T E N V I R O N M E N T

**MUNICIPAL CORPORATION OF THE
TOWN OF KIRKLAND LAKE**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 & 2018

DRAFT

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

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YEARS ENDED DECEMBER 31, 2019 & 2018

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Municipal Corporation of the Town of Kirkland Lake (the "Municipality") for the year ended December 31, 2019 are the responsibility of the Municipality'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 Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Note 2 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 Municipality'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 consolidated financial statements.

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

Chief Administrative Officer

Treasurer

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31

	2019	2018
FINANCIAL ASSETS		
Cash and cash equivalents (Note 18)	\$ 8,653,244	\$ 5,437,425
Taxes receivable	1,821,336	1,332,998
User charges receivable	315,440	175,850
Accounts receivable	873,095	1,209,022
TOTAL FINANCIAL ASSETS	\$ 11,663,115	\$ 8,155,295
FINANCIAL LIABILITIES		
Temporary loans	\$ -	\$ 1,170
Accounts payable and accrued liabilities	3,333,696	3,546,676
Deferred revenue (Schedule 3) (Note 18)	2,474,240	1,096,380
Accrued interest on long-term debt	76,974	145,446
Landfill closure and post-closure liability (Note 14)	439,855	346,744
Post-employment benefits and compensated absences (Note 7)	4,356,116	4,279,024
Long-term debt (Note 8) (Schedule 4)	16,989,208	18,207,202
TOTAL LIABILITIES	27,670,089	27,622,642
NET DEBT	(16,006,974)	(19,467,347)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 5)	117,886,432	120,986,726
Inventory of supplies	157,719	173,233
TOTAL NON-FINANCIAL ASSETS	118,044,151	121,159,959
ACCUMULATED SURPLUS (Schedule 1)	\$102,037,177	\$101,692,612

COMMITMENTS (Note 11)

CONTINGENCIES (Note 4 and Note 9)

See accompanying notes and schedules.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

CONSOLIDATED STATEMENT OF OPERATIONS

YEARS ENDED DECEMBER 31

	-----2019-----		2018
	Actual	Budget (see Note 15)	Actual
REVENUES			
Municipal taxation	\$ 11,090,239	\$ 10,952,937	\$ 10,030,129
Taxation from other governments	208,442	199,864	215,036
User charges (Schedule 2)	8,145,913	7,608,686	7,508,084
Government of Canada	316,607	968,717	1,278,139
Province of Ontario			
Non-specific	6,942,510	6,942,510	6,226,600
Specific	4,344,398	6,058,160	5,009,446
Other municipalities	107,342	105,609	166,510
Other (Schedule 2)	1,593,121	1,189,682	1,370,013
TOTAL REVENUES	32,748,572	34,026,165	31,803,957
EXPENSES			
CURRENT OPERATIONS			
General government	2,401,113	2,375,446	2,490,687
Protection to persons and property	5,235,060	4,502,611	4,311,490
Transportation services	4,385,088	4,812,053	3,997,203
Environmental services	6,742,112	6,897,548	6,855,615
Health services	1,149,518	1,162,153	1,158,311
Social and family services	6,898,107	7,088,983	6,966,683
Social housing	496,271	496,271	498,104
Recreation and cultural services	4,284,223	4,384,108	3,667,706
Planning and development	812,515	926,012	502,225
TOTAL EXPENSES	32,404,007	32,645,185	30,448,024
ANNUAL SURPLUS	344,565	1,380,980	1,355,933
ACCUMULATED SURPLUS, beginning of year	101,692,612	101,692,612	100,336,679
ACCUMULATED SURPLUS, end of year	\$102,037,177	\$103,073,592	\$101,692,612

See accompanying notes and schedules.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEARS ENDED DECEMBER 31

-----2019-----

	Actual	Budget (see Note 15)	2018 Actual
ANNUAL SURPLUS	\$ 344,565	\$ 1,380,980	\$ 1,355,933
Acquisition of tangible capital assets	(1,561,515)	(4,889,171)	(4,752,180)
Amortization of tangible capital assets	4,499,380	4,499,380	3,958,564
Loss on disposal of tangible capital assets	71,042	-	27,939
Proceeds on sale of tangible capital assets	91,387	-	-
Decrease (increase) in inventory of supplies	15,514	-	(17,563)
CHANGE IN NET DEBT	3,460,373	991,189	572,693
NET DEBT, beginning of year	(19,467,347)	(19,467,347)	(20,040,040)
NET DEBT, end of year	\$(16,006,974)	\$ (18,476,158)	\$ (19,467,347)

DRAFT

See accompanying notes and schedules.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE**CONSOLIDATED STATEMENT OF CASH FLOW**

YEARS ENDED DECEMBER 31

	2019	2018
OPERATING ACTIVITIES		
ANNUAL SURPLUS	\$ 344,565	\$ 1,355,933
ADJUSTMENT FOR NON-CASH ITEMS:		
Amortization of tangible capital assets	4,499,380	3,958,564
Loss on disposal of tangible capital assets	71,042	27,939
USES:		
Increase in taxes receivable	(488,338)	-
Increase in inventory of supplies	-	(17,563)
Decrease in accounts payable and accrued liabilities	(212,980)	(1,994,589)
Decrease in other liabilities	-	(19,054)
	4,213,669	3,311,230
SOURCES:		
Decrease in taxes receivable	-	276,199
Decrease in accounts receivable	196,337	1,583,895
Decrease in inventory of supplies	15,514	-
Increase in deferred revenue	1,377,860	330,438
Increase in post-employment benefits and compensated absences	77,092	120,841
Increase in other liabilities	24,639	-
	1,691,442	2,311,373
CASH PROVIDED BY OPERATING ACTIVITIES	5,905,111	5,622,603
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(1,561,515)	(4,752,180)
Proceeds on sale of tangible capital assets	91,387	-
CASH APPLIED TO CAPITAL ACTIVITIES	(1,470,128)	(4,752,180)
FINANCING ACTIVITIES		
Temporary loans	(1,170)	(10,171,574)
New debt issued	301,875	12,674,778
Debt principal repayments	(1,519,869)	(1,050,074)
CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES	(1,219,164)	1,453,130
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,215,819	2,323,553
CASH AND CASH EQUIVALENTS, beginning of year	5,437,425	3,113,872
CASH AND CASH EQUIVALENTS, end of year	\$ 8,653,244	\$ 5,437,425

See accompanying notes and schedules.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 & 2018

1. NATURE OF OPERATIONS

The Municipal Corporation of the Town of Kirkland Lake ("the Municipality") is a single tier municipality with merged areas situated in Northeastern Ontario. It is subject to provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality are the representations of management and have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). The more significant of the accounting policies are summarized below.

(a) REPORTING ENTITY

(i) Consolidated Entities

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity and include the activities of all committees of Council, boards, etc. which are under the control of Council as listed below:

Public Library Board
Museum of Northern History Advisory Committee
Teck Pioneer Residence Committee of Management
100th Anniversary Committee

All interfund assets and liabilities, revenues and expenses have been eliminated in these consolidated financial statements.

(ii) Non-consolidated Entities

The following joint local boards are not consolidated:

District of Timiskaming Social Services Administration Board
Timiskaming Health Unit

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

(iii) Investment in Joint Venture

The Municipality accounts for its interest in a joint venture using the proportionate consolidation method. These consolidated financial statements include the Municipality's proportionate share of any assets, liabilities, revenues or expenses of the joint venture.

(iv) Government Business Enterprises ("GBE")

Government Business Enterprises are accounted for by the modified equity method. Under the modified equity method, the Municipality recognizes the original cost of the investment (equal to the purchase cost of the investment) on the Consolidated Statement of Financial Position. The investment is adjusted for the Municipality's proportionate share of the earnings (losses) and any impairments in the value of the investment. The Municipality's share of the GBE's net income (loss) is recognized on the Consolidated Statement of Operations. The following GBE is included in these consolidated financial statements: The Town of Kirkland Lake Solar Inc.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) School Boards

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

(vi) Trust Funds

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the Trust Funds Statement of Continuity and the Trust Funds Balance Sheet.

(b) BASIS OF ACCOUNTING

Revenues and expenses are reported on the accrual basis of accounting which recognizes revenues as they are earned and measurable and expenses as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(i) Tax Revenues

The authority to levy and collect property taxes is established under the Municipal Act, 2001, the Assessment Act, the Education Act, and other legislation.

The amount of the total annual property tax levy is determined each year through Council's approval of the annual operating and capital budgets. Municipal tax rates are set annually by Council for each property tax class, in accordance with legislation and Council approved policies, in order to raise the revenues required to meet budget requirements. Education tax rates are established each year by the Province of Ontario in order to fund the costs of education on a Province-wide basis.

Property assessments, on which property taxes are based, are established by the Municipal Property Assessment Corporation ("MPAC"), a not-for-profit corporation funded by all municipalities in Ontario. The current value assessment ("CVA") of a property represents the estimated market value of a property as of a fixed date. Assessed values for all properties within the Municipality are provided to the Municipality by way of returned assessment rolls in December of each year.

The amount of property tax levied on an individual property is the product of the CVA of the property and the rate for the class, together with any adjustments that reflect Council approved mitigation or other tax policy measures.

Taxation revenue is initially recorded at the time assessment information is received from MPAC and is subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. Additional property tax revenue can be added throughout the year, related to new properties that become occupied or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. Property taxes for these supplementary/omitted amounts are then billed according to the approved tax rates for the property class. Taxation revenues in any year may also be reduced as a result of reductions in assessment values resulting from assessment and/or tax appeals. Each year, an amount is identified within the annual operating budget to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals or other deficiencies in tax revenues (eg. uncollectible amounts, write-offs). Properties vesting to the Town are expensed in the year they vest and are not included in inventory.

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

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and highly liquid investments with original maturity of 90 days or less as at the end of the year.

(iii) Accounts Receivable and User Charges Receivable

Accounts receivable and user charges receivable are reported net of any allowance for doubtful accounts.

(iv) Inventory of Supplies

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(v) Investments

Investments are recorded at cost. Investments consist of authorized investments pursuant to provisions of the Municipal Act.

(vi) Non-Financial Assets

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

(vii) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of an asset. Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt and are recorded as revenue in the year of contribution. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available.

The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

General capital:

Land	no amortization
Land improvements	20 years
Buildings and improvements	25 - 50 years
Machinery and equipment	5 - 20 years
Vehicles	10 - 20 years

Infrastructure:

Roads, streets & bridges	10 - 50 years
Water and sewer	50 years

Assets under construction are not amortized until the asset is put into service.

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

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

accounted for as operating leases and the related payments are charged to expenses as incurred.

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the Municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

(viii) Deferred Revenue

Certain amounts are received pursuant to legislation, regulation, or agreement and may only be used in the conduct of certain programs or in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recorded as deferred revenue and are recognized as revenue in the year during which the related expenses are incurred or provided eligibility criteria and stipulations have been met.

(ix) Reserves and Reserve Funds

Reserves and reserve funds comprise funds set aside for specific purposes by Council. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(x) Government Transfers

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction. Government transfers are recognized in the fiscal year during which events giving rise to the transfer occur, provided the transfers are authorized, eligibility criteria and stipulations have been met and reasonable estimates of the amounts can be made.

(xi) Fees and User Charges

Fees and user charges relate mainly to water charges, long-term care accommodation fees, fees for use of various programming and fees imposed based on specific activities. Revenue is recognized when the activity is performed or when the services are rendered.

(xii) Use of Estimates and Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions on such areas as post-employment benefits and compensated absences, tax revenue collections, landfill post-closure costs, etc. These estimates and assumptions are based on the Municipality's best information and judgment and may differ significantly based on actual results.

(c) POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

The Municipality provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, and long-term disability benefits. The Municipality has adopted the following policies with respect to accounting for these employee benefits:

(i) The costs of self insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, insurance and health care cost trends, disability recovery rates, long-term inflation rates and discount rates.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

For self insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected accrued benefit method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service to the expected retirement age of the active employees.

For those self insured benefit obligations that arise from specific events that occur from time to time, such as obligations for long-term disability, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(ii) The Municipality's contributions to multi-employer, defined benefit pension plans such as the Ontario Municipal Employees Retirement System pension, are expensed when contributions are due.

(iii) The costs of insured benefits are the Municipality's portion of insurance premiums owed for coverage of employees during the period.

3. TRANSACTIONS ON BEHALF OF SCHOOL BOARDS

During the year, \$1,342,974 of taxation was levied on behalf of school boards (2018 - \$1,352,261).

4. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT LOCAL BOARDS

Further to Note 2(a)(ii), contributions were made by the Municipality to the non-consolidated joint local boards as follows:

	2019	2018
District of Timiskaming Social Services Administration Board ("DTSSAB")	\$1,536,698	\$1,531,444
Timiskaming Health Unit ("THU")	322,523	321,959

The Municipality is contingently liable for its share, which is approximately 19% (2018 - 19%) for the DTSSAB and an estimated 26% (2018 - 26%) for the THU, of any accumulated deficits at the end of the year for these boards.

No long-term liabilities have been issued by other municipalities for these boards. The Municipality is also contingently liable for its share of the long-term liabilities issued by other municipalities for these boards.

5. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$1,516,139 (2018 - \$1,460,974) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. The trust funds are reported separately on the Town of Kirkland Lake's Trust Funds Statement of Continuity and Trust Funds Balance Sheet.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

6. TEMPORARY BORROWING

The Municipality has available to it a \$4,000,000 revolving demand operating facility to finance working capital requirements which bears interest at the Prime Rate minus 0.85% per annum. The Municipality was not utilizing this credit facility on December 31, 2019 (2018 - \$nil).

7. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

(a) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS LIABILITIES

	2019	2018
Accrued employee future benefits liability	\$ 4,013,600	\$ 4,043,200
Vacation credits	329,433	221,635
Sick leave benefits	13,083	14,189
Post-employment benefits and compensated absences liability	\$ 4,356,116	\$ 4,279,024

(b) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS EXPENSES

	2019	2018
Current year benefit cost	\$ 143,800	\$ 298,200
Interest cost	104,500	133,300
Plan amendments incurred in year	30,700	-
Amortization of actuarial gains	(101,200)	-
Employee future benefits expenses¹	\$ 177,800	\$ 431,500

¹ Excluding pension contributions to the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer pension plan, described below.

(c) CONTINUITY OF ACCRUED EMPLOYEE FUTURE BENEFITS LIABILITY

	2019	2018
BALANCE, beginning of year	\$4,043,200	\$3,869,797
Benefit expense for year	177,800	431,500
Actual benefit payments	(207,400)	(258,097)
BALANCE, end of year	\$4,013,600	\$4,043,200

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

7. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (CONT'D)

(d) RETIREMENT BENEFITS

(i) Ontario Municipal Employees Retirement System

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of certain 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. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan ("the Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2019. The results of this valuation disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service to December 31, 2019 with actuarial assets at that date of \$104,290 million indicating an actuarial deficit of \$3,397 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Town does not recognize any share of the Plan surplus or deficit. The Municipality's contributions equal the employee contributions to the plan. During the year ended December 31, 2019, the Municipality contributed \$812,753 (2018 - \$828,023) to the plan. As this is a multi-employer pension plan, these contributions are the Municipality's pension benefit expenses. No pension liability for this type of plan is included in the Municipality's consolidated financial statements.

(ii) Retirement Life Insurance and Health Care Benefits

The Municipality continues to provide health care benefits to certain employee groups after retirement until the members reach 65 years of age and life insurance until death at a reduced amount. The Municipality provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Municipality's consolidated financial statements.

(e) ASSUMPTIONS

Due to the complexities in valuing post-employment benefits and compensated absences, actuarial valuations are conducted on a periodic basis. The accrued benefit obligations for employee future benefits plans as at December 31, 2019 are based on a valuation as of December 31, 2019. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Municipality's best estimates of expected rates of:

	December 31, 2019
Discount rate	2.80% per annum (3.30% in 2018)
Dental cost trend rates	6.15% per annum for 2019 decreasing to 4.0% by 2030
Extended health care trend rates	6.66% per annum for 2019 decreasing to 4.0% by 2040

There are no assets associated with the Municipality's plan. Provided there are no significant changes in the interim years, the next actuarial valuation should be performed as at December 31, 2022.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

7. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (CONT'D)

(f) LIABILITY FOR VESTED SICK LEAVE BENEFITS

All full-time, non-union employees and certain union employees have frozen their accumulated sick leave credits. These employees are now entitled to a cash payment on termination of service, subject to conditions concerning the length of service and the maximum amount frozen. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$13,083 (2018 - \$14,189) at the end of the year.

8. LONG-TERM DEBT

(a) The balance of the long-term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2019	2018
Total long-term liabilities incurred by the Municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year	\$ 16,989,208	\$ 18,207,202

(b) Of the long-term debt reported in (a) above, \$16,989,208 in principal payments and \$5,549,419 in interest payments are payable from 2020 to 2038 from general municipal revenues. Further details of long-term debt are shown on Schedule 4.

(c) The long-term debt in (a) is issued in the name of the Municipality. The annual principal and interest payments required to service this debt is within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(d) Interest expense on long-term debt amounted to \$698,019 (2018 - \$402,426).

(e) Included in the long-term debt is the amount of \$74,727 as at December 31, 2019 (2018 - \$76,770) which is owed to the Municipality's Cemetery Perpetual Care Trust Fund. This loan, approved by the Cemeteries Regulation Unit of the Ministry of Consumer Services, was used to build a columbarium at the Kirkland Lake Cemetery. As each niche is sold in the columbarium, \$291.90 of the fee charged is applied as a repayment of this interest free loan.

9. CONTINGENT LIABILITIES

The Municipality is involved from time to time in litigation, which arises in the normal course of business. With respect to outstanding claims, the Town believes that insurance coverage is adequate and that no material exposure exists on the eventual settlement of such litigation. Therefore, no provision has been made in the accompanying financial statements.

10. ANNEXATION

In 1982, the Municipality's annexation of two townships, Bernhardt and Morrisette, was approved by the Ontario Municipal Board, effective January 1, 1982. The method and amount of the tax levy with respect to these Townships received final approval in 1984 from the Ontario Municipal Board. Under the terms of this approval, the Townships are subject to a levy amounting to 100% of the education portion and 35% of the municipal portion of the tax rate as established by Council.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

11. COMMITMENTS

(a) ONTARIO CLEAN WATER AGENCY ("OCWA")

In accordance with a service agreement entered into by the Municipality in 1971 with the Ontario Clean Water Agency, the existing Kirkland Lake Pollution Control Plant is operated by the Agency. The Municipality is obligated to meet all operating costs and repay the long-term liabilities related to this project. Included in the Consolidated Statement of Operations are the 2019 charges from OCWA in the amount of \$988,068 (2018 - \$966,793).

The Municipality has entered into an agreement to have OCWA provide management, operation and maintenance services for the Kirkland Lake Water, Wastewater and Distribution and Collection Systems (Kirkland Lake Water Treatment Plant, Chaput Hughes Standpipe, Swastika Booster Station, Chaput Hughes Booster Station, five lift stations, Swastika Sewage Treatment Plant, Kirkland Lake Sewage Treatment Plant and Kirkland Lake Distribution System). This agreement commenced on January 1, 2015 and will be in effect for five years, ending on December 31, 2019. It may then be renewed for successive two-year terms.

Effective January 1, 2020, the Municipality renewed its contract for a two-year period.

(b) O.P.P. POLICING CONTRACT

Effective January 1, 2019, the Municipality renewed its long-term contract with the Province of Ontario which will see the Province provide police services to the Municipality for a three-year period. For the year ended December 31, 2019, the Municipality paid \$2,481,502 (2018 - \$2,289,131) to the Province for policing costs.

(c) TECK PIONEER RESIDENCE AND KIRKLAND AND DISTRICT HOSPITAL

The Municipality is committed to reimbursing Kirkland and District Hospital for shared services related to dietary and laundry services and certain utilities at the Teck Pioneer Residence facility.

(d) BENEFIT PREMIUM

The Municipality is a member of a healthcare insurance reciprocal in order to obtain reduced benefit premiums. Consequently, the Municipality is contingently liable for the obligations of the reciprocal. It is not possible at this time to determine the liability, if any, that may occur. Any liability resulting will be recorded when it becomes reasonably determinable.

(e) HERITAGE NORTH ("HN")

On January 1, 2008, the Municipality assumed the responsibility for operating the HN facility. In doing so, they released the previous not-for-profit organization from its responsibilities under the lease. The Municipality also assumed the rights of ownership relating to the name and the exhibit.

(f) NORTHERN ONTARIO HERITAGE FUND CORPORATION ("NOHFC")

The Municipality has entered into an agreement with NOHFC for the construction of an incubator facility located in the industrial mall.

The Municipality has received \$1,200,000 in grant money. It also has a \$600,000 liability to NOHFC and a receivable from a private enterprise for the same amount. The Municipality entered into a five-year lease agreement with the private enterprise. Payments commenced in March 2009 with a deferral of payments during the period June 2011 to January 2013. The agreement was amended in January of 2017 to continue deferring payments until June 30, 2017. As per an amendment made on December 4, 2018, payments resumed on January 1, 2019. The loan will mature in December 2022.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

11. COMMITMENTS (CONT'D)

(f) NORTHERN ONTARIO HERITAGE FUND CORPORATION ("NOHFC") (CONT'D)

Subsequent to year-end, the Municipality was advised by NOHFC that it will offer the following repayment relief measures as a result of COVID-19:

- deferring any repayments of principal on the loan coming due during the six-month period commencing on April 1, 2020 and ending on September 30, 2020;
- waiving all interest that accrues on the loan during the period commencing on March 20, 2020 and ending on September 30, 2020; and
- extending the maturity date of the loan by six (6) months.

(g) KIRKLAND DISTRICT FAMILY HEALTH TEAM ("KDFHT")

The Municipality has agreed to absorb one half of the annual operating deficit of the Kirkland District Family Health Team.

(h) WASTE COLLECTION, LANDFILL OPERATIONS AND RECYCLING CONTRACTS

Effective October 1, 2018, the Municipality entered into a five-year contract for waste collection, waste disposal/landfill operations and curbside recycling at a cost not to exceed \$4,964,446 + HST.

In 2019, costs under this new agreement were \$387,579 (2018 - \$96,202) for waste collection, \$391,949 (2018 - \$97,791) for landfill operations and \$193,760 (2018 - \$48,294) for recycling.

12. RELATED ENTITIES

(a) KIRKLAND DISTRICT FAMILY HEALTH TEAM ("KDFHT")

The Municipality has an economic interest in the KDFHT. It has agreed by contractual agreement to fund one half of the KDFHT's annual operating deficit. The current year's operating deficit is yet to be determined.

(b) KIRKLAND DISTRICT HEALTH CENTRE ("KDHC")

The Municipality has entered into a joint venture with the Kirkland and District Hospital. The Municipality owns 50% of the Kirkland District Health Centre. As such, the Municipality proportionately consolidates 50% of the assets, liabilities, revenues and expenses of this joint venture.

(c) TOWN OF KIRKLAND LAKE SOLAR INC.

The Municipality has an economic interest in The Town of Kirkland Lake Solar Inc. The Municipality owns 501 voting Class B Shares which represents 50.1% of the outstanding capital stock of the corporation.

13. FINANCIAL INSTRUMENTS

(a) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash, taxes receivable, user charges receivable, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the short-term maturities of these instruments. The carrying amount of the long-term debt approximates fair value as the Municipality's current rate of borrowing for similar debt instruments of comparable maturity is not materially different.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

13. FINANCIAL INSTRUMENTS (CONT'D)

(b) CREDIT RISK

The Municipality does not have significant exposure to any individual or party due to the fact that municipalities can obtain liens on properties for any unpaid realty taxes. An allowance for doubtful accounts is established based upon factors surrounding the risk related to specific ratepayers, historical trends and other information. The Municipality has an allowance for doubtful taxes receivable account in the amount of \$649,503 (2018 - \$650,000), for accounts receivable in the amount of \$101,259 (2018 - \$72,211) and for user charges receivable in the amount of \$12,098 (2018 - \$4,471).

(c) INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Municipality manages exposure through its normal operating and financing activities. The Municipality is exposed to interest rate risk primarily through its long-term debt (Note 8).

14. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The Ontario Environmental Protection Act sets out the regulatory requirements for the closure and maintenance of landfill sites. Under this Act, the Municipality is required to provide for closure and post-closure care of its solid waste landfill site. The costs related to these obligations are provided for over the estimated remaining life of the landfill site based on usage.

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 weir sampling and analysis.

The reported liability is based on estimates and assumptions with respect to events extending over a sixty-one year period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

In 2016, the estimates for projected closure, cumulative capacity used, total capacity, post-closure costs per year and the discount rate were reviewed and updated, as applicable, to reflect more up-to-date information. As mentioned above, the resulting changes have been recognized prospectively.

As at December 31, 2019, the remaining capacity of the landfill site is approximately 720,000 cubic metres (2018 - 740,000 cubic metres) which is expected to be used by the year 2050. The period for post-closure care is estimated to be 30 years after 2050.

The estimated liability for the care of the landfill site is the present value of future cash flows associated with closure and post-closure costs discounted using the Municipality's average long-term borrowing rate of 2.80% (2018 - 3.50%). As at December 31, 2019, an amount of \$439,855 (2018 - \$346,744) is reported as a liability on the Consolidated Statement of Financial Position.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

15. BUDGET AMOUNTS

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
Modified accrual basis	\$ 1,380,980
Adjustments:	
Net transfers from (to) reserves and reserve funds	9,124
Capital asset expenditures	(4,889,171)
Amortization of tangible capital assets	4,499,380
New debt	387,615
Debt principal repayments	(1,387,928)
Total adjustments	(1,380,980)
ANNUAL SURPLUS	\$ -

16. EXPENSES BY OBJECT

The Consolidated Statement of Operations represents the expenses by function. The following classifies those same expenses by object:

	2019	2018
Salaries, wages and employee benefits	\$ 13,764,072	\$ 13,482,508
Materials and supplies	5,280,748	4,517,699
Rent and financial expenses	391,359	688,740
Contracted services	5,830,167	5,491,745
External transfers	1,869,221	1,878,403
Interest charges	698,019	402,426
Amortization	4,499,380	3,958,564
Loss on disposal	71,041	27,939
TOTAL EXPENSES	\$ 32,404,007	\$ 30,448,024

17. INVESTMENT IN THE TOWN OF KIRKLAND LAKE SOLAR INC.

The Town of Kirkland Lake Solar Inc. ("TKLSI") is a municipally owned government business enterprise. The corporation owns, administers and manages solar power generating projects for the purpose of generating, transmitting, distributing and retailing electricity. The Town of Kirkland Lake owns 50.1% of the outstanding capital stock of the corporation.

The corporations's financial statements are prepared in accordance with International Financial Reporting Standards.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

17. INVESTMENT IN THE TOWN OF KIRKLAND LAKE SOLAR INC. (CONT'D)

STATEMENT OF FINANCIAL POSITION

	2019	2018
ASSETS		
Cash	\$ 1,420,701	\$ -
Accounts receivable	727,351	396,918
Prepaid expenses and refundable deposits	34,270	7,500
Property and equipment	8,303,502	3,364,532
Future payment in lieu of taxes	59,340	10,914
Due from related parties	50	50
TOTAL ASSETS	\$ 10,545,214	\$ 3,779,914
LIABILITIES		
Accounts payable and accrued liabilities	\$ 169,330	\$ 759,700
Due to related parties	4,864,839	3,096,508
Current portion of long-term debt	227,564	-
Long-term debt	5,261,733	3,856,208
	5,698,761	-
	10,960,494	3,856,208
CAPITAL DEFICIENCY		
CAPITAL STOCK	100	100
ACCUMULATED DEFICIT	(415,380)	(76,394)
	(415,280)	(76,294)
TOTAL LIABILITIES AND DEFICIENCY	\$ 10,545,214	\$ 3,779,914

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

17. INVESTMENT IN THE TOWN OF KIRKLAND LAKE SOLAR INC. (CONT'D)

STATEMENTS OF LOSS AND ACCUMULATED DEFICIT

	2019	2018
SALE OF ENERGY	\$ 448,781	\$ -
COST OF SALES	5,324	-
GROSS MARGIN	443,457	-
EXPENSES		
Amortization	323,503	-
Financing fees	-	5,000
Insurance	22,567	-
Interest and bank charges	269,146	4,341
Interest on long-term debt	86,999	-
Internet	5,242	-
Office	1,637	422
Professional fees	102,914	5,035
Repairs and maintenance	18,861	4,574
TOTAL EXPENSES	830,869	19,372
LOSS BEFORE PAYMENT IN LIEU OF TAXES	(387,412)	(19,372)
FUTURE PAYMENT IN LIEU OF TAXES RECOVERY	48,426	2,422
NET LOSS	(338,986)	(16,950)
ACCUMULATED DEFICIT, beginning of year	(76,394)	(59,444)
ACCUMULATED DEFICIT, end of year	\$ (415,380)	\$ (76,394)

18. DEFERRED REVENUE

Cash and cash equivalents include restricted amounts of \$2,474,240 (2018 - \$1,096,380).

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

20. SUBSEQUENT EVENTS

(a) LONG-TERM DEBT

Subsequent to year-end, the Municipality entered into an agreement to borrow funds from Ontario Infrastructure and Lands Corporation ("OILC") through the issuance of amortizing debentures. The funds are to finance a piece of heavy equipment purchased in 2019. The amount borrowed is \$287,266, bears interest at 2.21% per annum and is repayable in semi-annual instalments of combined principal and interest of \$16,088. The debentures mature in March 2030.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

20. SUBSEQUENT EVENTS (CONT'D)

(b) COVID-19

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Municipality has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Municipality for future periods.

To date, the Municipality has taken the following actions in response to the pandemic:

(i) On March 16, 2020, in response to legislated closures of non-essential services, the Municipality closed all of its facilities to the public. The Municipality expects a reduction in rentals, user fees, etc. as a result of these closures. The financial impact related to the closures has not been determined at this time.

(ii) On April 7, 2020, the Municipality passed By-Law 20-037 whereby no interest and penalties will be applied to tax accounts between March 31, 2020 and June 30, 2020. As a result, the Municipality expects a decrease of interest and penalties revenue of approximately \$84,000 in that time period. The Municipality expects that some of its taxpayers will face additional financial pressures that may impact their ability to make their tax payments on a timely basis.

21. SEGMENTED INFORMATION

The Municipality is a municipal government institution that provides a range of services to its ratepayers.

The Municipality reports on functional areas and programs in its consolidated financial statements similar to reporting reflected as part of the Ontario Financial Information Return.

General Government

General government consists of the activities of Council and general financial and administrative management of the Municipality and its programs and services.

Protection Services

Protection Services includes fire, police services and other protection services.

Transportation Services

The activities of the transportation function include construction and maintenance of the Municipality's roads, bridges and sidewalks, winter control, street lighting and air transportation.

Environmental Services

This function is responsible for providing water and sewer services to certain areas within the Municipality. It is also responsible for providing waste collection, waste disposal and recycling services.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

21. SEGMENTED INFORMATION (CONT'D)

Social and Family Services

This function provides assistance to aged persons and includes external transfers for general social assistance and child care.

Social Housing

The social housing function consists of external transfers for social housing.

Recreation and Cultural Services

Recreation and cultural services include indoor and outdoor recreational facilities and programs, parks, library services, museum services and Heritage North Conference and Exhibition Centre.

Planning and Development

This function manages planning and zoning, commercial, industrial and residential development and contributions to the Kirkland District Health Centre.

For each reported segment, revenues and expenses 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 are apportioned to General Revenue Fund services based on a percentage of budgeted expenditures. Certain government transfers and other revenues have also been apportioned based on a percentage of budgeted 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. This disclosure by segment is reported on Schedule 6.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS

YEARS ENDED DECEMBER 31

	2019	2018
RESERVES		
Centennial Committee	\$ 64,393	\$ 29,177
Infrastructure - capital	596,636	883,399
Kirkland District Health Centre	56,691	67,941
Organization restructuring and efficiency	543,376	-
Other	99,155	80,475
Working capital	2,376,082	2,012,817
TOTAL RESERVES	3,736,333	3,073,809
RESERVE FUNDS SET ASIDE FOR SPECIFIC PURPOSES BY COUNCIL		
Archer Drive	201,166	196,051
Employees' accumulated sick leave	76,862	76,505
Health Unit	229,342	-
Kinross Park maintenance	4,651	-
Life cycle replacement	151,519	-
Parkland	98,370	100,000
Residential development	20,116	6,319
Wastewater capital projects	936,638	451,175
Waterworks capital projects	835,153	48,963
TOTAL RESERVE FUNDS	2,553,817	879,013
TOTAL RESERVES AND RESERVE FUNDS	6,290,150	3,952,822
SURPLUSES		
Invested in tangible capital assets	117,886,432	120,986,726
General Revenue Fund	10,014	10,014
UNFUNDED		
Post-employment benefits and compensated absences	(4,356,116)	(4,279,024)
Landfill closure and post-closure liability	(439,855)	(346,744)
Accrued interest on long-term debt	(76,974)	(145,446)
Long-term debt	(16,989,208)	(18,207,202)
Unfunded capital projects	(287,266)	(278,534)
TOTAL SURPLUSES	95,747,027	97,739,790
ACCUMULATED SURPLUS	\$102,037,177	\$101,692,612

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

SUMMARY OF USER CHARGES AND OTHER SOURCES OF FINANCING

YEARS ENDED DECEMBER 31

-----2019-----

	Actual	Budget	2018 Actual
USER CHARGES			
Airport	\$ 134,293	\$ 114,500	\$ 122,743
Cemetery	128,676	119,547	121,020
Garbage disposal	342,738	275,000	364,187
General government	16,872	20,980	25,389
Heritage North	3,676	1,200	634
Library	5,967	6,660	6,688
Licenses and permits	153,108	117,050	178,602
Museum	29,594	18,050	17,578
Other	211,668	182,415	170,293
Recreation	329,926	357,371	322,806
Recycling	92,105	93,572	116,549
Roadways	91,262	45,631	73,911
Sanitary sewers	1,876,927	1,704,605	1,829,311
Teck Pioneer Residence	2,046,612	2,035,607	1,995,341
Water rates	2,615,807	2,460,378	2,100,376
Waterworks	66,682	56,120	62,656
	\$ 8,145,913	\$ 7,608,686	\$ 7,508,084
OTHER			
Capital recoveries	\$ 15,773	\$ -	\$ 18,726
Contributions from Timiskaming Health Unit	229,175	-	-
Donations	183,658	174,485	106,737
Fines	8,872	12,000	16,691
Investment income	153,022	54,154	94,043
Penalties and interest	306,270	251,750	434,235
Rents and concessions	642,996	657,293	532,385
Sale of land	37,000	40,000	167,196
Sales - other	16,355	-	-
	\$ 1,593,121	\$ 1,189,682	\$ 1,370,013

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE
CONSOLIDATED SCHEDULE OF DEFERRED REVENUE
YEAR ENDED DECEMBER 31, 2019

	Gas Tax	OCIF	Main Street Revitalization	Teck Pioneer Residence Donations Account	Other Deferred Revenue	-----Totals-----	
						2019	2018
BALANCE, Dec. 31, 2018	\$ 107,023	\$ 615,264	\$ 44,957	\$ 73,607	\$ 255,529	\$ 1,096,380	\$ 765,942
INCREASE IN DEFERRED REVENUE							
Interest	11,641	19,284	952	1,693	-	33,570	15,765
Government transfers	1,035,323	598,420	-	-	43,879	1,677,622	1,016,745
Donations	-	-	-	4,527	27,153	31,680	89,509
Other	-	-	-	-	42,805	42,805	52,466
	1,046,964	617,704	952	6,220	113,837	1,785,677	1,174,485
DEFERRED REVENUE EARNED							
To operations	-	-	-	12,569	177,800	190,369	48,677
To capital acquisitions	106,469	86,932	-	-	24,047	217,448	795,370
	106,469	86,932	-	12,569	201,847	407,817	844,047
BALANCE, Dec. 31, 2019	\$ 1,047,518	\$ 1,146,036	\$ 45,909	\$ 67,258	\$ 167,519	\$ 2,474,240	\$ 1,096,380

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

CONSOLIDATED SCHEDULE OF LONG-TERM DEBT

YEAR ENDED DECEMBER 31, 2019

	By-Law Number	Date of Issue	Period	Amount of Issue	Rate of Interest	2019	2018
GENERAL MUNICIPAL ACTIVITIES							
Transportation Services:							
LED Street Lights	15-067	06/29/15	7 years	\$ 774,706	2.19%	\$ 290,503	\$ 402,311
Equipment	13-111	12/10/13	10 years	480,020	3.37%	211,597	260,185
King George Court	18-112	01/22/19	2 years	301,875	0.00%	150,938	-
Environmental Services:							
Waste Carts	16-073	12/09/16	5 years	250,000	2.019%	103,032	153,013
Health Services:							
Cemetery	14-120	11/24/14	n/a	100,000	0.00%	74,727	76,770
Social and Family Services:							
Teck Pioneer Residence	04-068	02/15/08	20 years	6,990,000	4.94%	3,808,335	4,161,178
Recreation and Cultural Services:							
Aquatic Centre	18-110	08/21/18	20 years	12,674,778	3.72%	11,970,947	12,567,175
Heritage North	12-050	05/23/12	7 years	2,383,674	3.04%	-	156,816
Planning and Development:							
Archer Drive (Note 11)	08-004	02/01/09	9 years	600,000	6.00%	379,129	429,754
TOTAL GENERAL MUNICIPAL ACTIVITIES						\$ 16,989,208	\$ 18,207,202

SUMMARY OF YEARLY LONG-TERM DEBT REPAYMENTS FOR GENERAL MUNICIPAL ACTIVITIES (NOTE 8)

Year	Principal	Interest	Total
2020	\$ 1,329,901	\$ 646,522	\$ 1,976,423
2021	1,209,752	609,619	1,819,371
2022	1,147,439	559,585	1,707,024
2023	1,073,370	510,751	1,584,121
2024	985,114	468,342	1,453,456
subsequent to 2024	11,243,632	2,754,600	13,998,232
	\$ 16,989,208	\$ 5,549,419	\$ 22,538,627

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

YEARS ENDED DECEMBER 31

	-----General Capital-----			--Infrastructure--			Work in Progress	-----Totals-----	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles	Machinery and Equipment	Roads, Streets and Bridges	Water and Sewer		2019	2018
COST									
BALANCE, Dec. 31, 2018	\$ 13,704,558	\$ 103,186,424	\$ 2,274,930	\$ 8,902,158	\$ 35,020,528	\$ 30,078,277	\$ 394,127	\$ 193,561,002	\$ 188,842,832
Additions	100,781	131,295	255,052	647,282	27,479	49,151	350,475	1,561,515	4,752,180
Disposals and writedowns	-	-	(143,566)	(269,581)	-	-	-	(413,147)	(34,010)
Transfer from work in progress	3,938	134,022	460	12,997	-	-	(151,417)	-	-
BALANCE, Dec. 31, 2019	13,809,277	103,451,741	2,386,876	9,292,856	35,048,007	30,127,428	593,185	194,709,370	193,561,002
ACCUMULATED AMORTIZATION									
BALANCE, Dec. 31, 2018	3,900,621	30,523,300	1,504,228	6,374,663	15,474,767	14,796,697	-	72,574,276	68,621,783
Amortization	275,292	2,468,944	119,608	398,735	669,133	567,668	-	4,499,380	3,958,564
Disposals and writedowns	-	-	(104,606)	(146,112)	-	-	-	(250,718)	(6,071)
BALANCE, Dec. 31, 2019	4,175,913	32,992,244	1,519,230	6,627,286	16,143,900	15,364,365	-	76,822,938	72,574,276
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 9,633,364	\$ 70,459,497	\$ 867,646	\$ 2,665,570	\$ 18,904,107	\$ 14,763,063	\$ 593,185	\$ 117,886,432	\$ 120,986,726

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE

YEAR ENDED DECEMBER 31, 2019

	Social and Family Services	Protection Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Other	Capital	Consolidated
REVENUES								
Taxation	\$ 2,725,614	\$ 1,758,608	\$ 1,578,046	\$ 1,874,284	\$ 1,432,178	\$ 1,929,951	\$ -	\$ 11,298,681
Sales of services and user fees	2,064,612	238,188	245,064	4,994,260	762,560	509,452	15,773	8,829,909
Government transfers	5,582,417	1,162,952	969,636	1,151,660	988,217	1,275,909	472,724	11,603,515
Other	13,202	101,733	1,519	46,683	43,012	771,622	38,696	1,016,467
TOTAL REVENUES	10,385,845	3,261,481	2,794,265	8,066,887	3,225,967	4,486,934	527,193	32,748,572
EXPENSES								
Salaries and benefits	4,855,860	2,327,214	1,897,546	1,039,312	1,838,676	1,805,464	-	13,764,072
Materials	472,589	172,234	1,159,403	1,314,806	1,063,631	1,098,085	-	5,280,748
Contracted services	701,373	2,603,046	141,626	2,078,130	64,159	241,833	-	5,830,167
External transfers	371,299	-	-	-	10,000	1,487,922	-	1,869,221
Amortization	299,289	121,795	881,029	2,228,576	816,451	152,240	-	4,499,380
Other	197,697	10,771	305,484	81,288	491,306	73,873	-	1,160,419
TOTAL EXPENSES	6,898,107	5,235,060	4,385,088	6,742,112	4,284,223	4,859,417	-	32,404,007
ANNUAL SURPLUS (DEFICIT)	\$ 3,487,738	\$ (1,973,579)	\$ (1,590,823)	\$ 1,324,775	\$ (1,058,256)	\$ (372,483)	\$ 527,193	\$ 344,565

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE (CONT'D)

YEAR ENDED DECEMBER 31, 2018

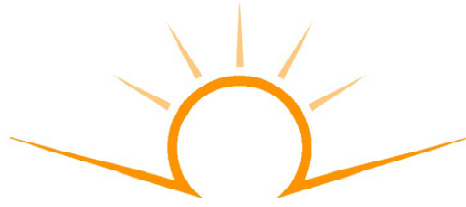
	Social and Family Services	Protection Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Other	Capital	Consolidated
REVENUES								
Taxation	\$ 2,554,775	\$ 1,584,803	\$ 1,189,608	\$ 1,845,940	\$ 1,180,705	\$ 1,889,334	\$ -	\$ 10,245,165
Sales of services and user fees	2,011,841	253,129	202,739	4,473,081	745,740	370,630	18,726	8,075,886
Government transfers	5,288,569	1,054,788	738,013	1,121,888	818,554	1,179,954	2,312,419	12,514,185
Other	16,617	158,744	1,540	183,385	22,189	584,189	2,057	968,721
TOTAL REVENUES	9,871,802	3,051,464	2,131,900	7,624,294	2,767,188	4,024,107	2,333,202	31,803,957
EXPENSES								
Salaries and benefits	4,903,673	1,561,694	1,916,686	1,039,174	1,761,466	2,299,815	-	13,482,508
Materials	491,046	242,526	742,029	1,414,280	1,019,081	608,737	-	4,517,699
Contracted services	683,345	2,384,833	92,941	1,949,052	47,823	333,751	-	5,491,745
External transfers	369,243	-	-	-	-	1,509,160	-	1,878,403
Amortization	297,563	120,709	837,398	2,221,940	660,642	(179,688)	-	3,958,564
Other	221,813	1,728	408,149	231,169	178,694	77,552	-	1,119,105
TOTAL EXPENSES	6,966,683	4,311,490	3,997,203	6,855,615	3,667,706	4,649,327	-	30,448,024
ANNUAL SURPLUS (DEFICIT)	\$ 2,905,119	\$ (1,260,026)	\$ (1,865,303)	\$ 768,679	\$ (900,518)	\$ (625,220)	\$ 2,333,202	\$ 1,355,933

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE

SCHEDULE OF LIBRARY OPERATIONS AND DEFICIT

YEARS ENDED DECEMBER 31

	-----2019-----		2018
	Actual	Budget	Actual
REVENUES			
GRANTS			
Ministry of Heritage, Sport, Tourism and Culture Industries	\$ 27,922	\$ 27,922	\$ 27,922
Town of Kirkland Lake	293,595	293,595	270,283
SPECIAL GRANTS			
Employment Grants	8,100	8,100	5,618
Capacity Building Grant	-	-	8,002
OTHER REVENUES	30,236	25,514	24,201
TOTAL REVENUES	359,853	355,131	336,026
EXPENSES			
CURRENT OPERATIONS			
Ball bequest	9,782	9,354	10,845
Books, cataloguing	15,339	11,750	11,006
Building repairs and maintenance	2,529	3,000	2,884
Coin operations supplies	3,617	3,400	3,385
Custodian	14,400	14,400	14,400
Insurance	3,510	3,750	3,632
Miscellaneous	6,857	6,930	6,949
Office stationary and supplies	2,401	2,500	3,091
Professional fees	1,630	3,122	2,875
Programming supplies	7,926	6,000	10,931
Records and periodicals	3,030	5,000	5,723
Salaries and wages	265,751	269,796	258,416
Utilities	13,919	16,129	14,092
TOTAL EXPENSES	350,691	355,131	348,229
ANNUAL SURPLUS (DEFICIT)	9,162	-	(12,203)
DEFICIT, beginning of year	(38,781)	(38,781)	(26,578)
DEFICIT, end of year	\$ (29,619)	\$ (38,781)	\$ (38,781)



KIRKLAND LAKE

T H E R I G H T E N V I R O N M E N T

**MUNICIPAL CORPORATION OF THE
TOWN OF KIRKLAND LAKE
(and its affiliated Boards)**

TRUST FUNDS

BALANCE SHEET & STATEMENT OF CONTINUITY

YEARS ENDED DECEMBER 31, 2019 & 2018

D R A F T

**MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE
(and its affiliated Boards)**

TRUST FUNDS

BALANCE SHEET

AS AT DECEMBER 31

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 222,992	\$ 235,650
Accounts Receivable	150	487
Investments - Perpetual Care (Note 4)	881,910	812,044
Investments - May Ball Trust (Note 3)	332,886	332,886
Columbarium loan to Town of Kirkland Lake (Note 4)	74,727	76,770
Due from Town of Kirkland Lake	3,474	3,137
TOTAL FINANCIAL ASSETS	\$1,516,139	\$1,460,974
FUND BALANCE		
TRUST FUND BALANCE (Statement 2)	\$1,516,139	\$1,460,974

DRAFT

See accompanying notes.

**MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE
(and its affiliated Boards)**

TRUST FUNDS

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 2019

	Library Bequest Fund	Cemetery Perpetual Care Fund	Teck Pioneer Residence Trust	Great West Life Benefits Trust	2019
BALANCE, beginning of year	\$ 332,886	\$ 957,962	\$ 9,030	\$ 161,096	\$1,460,974
Add:					
Deposits	-	-	10,885	721,050	731,935
Interest/Dividends earned	9,154	21,383	-	4,126	34,663
Monument maintenance fees	-	2,550	-	-	2,550
Plots and graves sold	-	6,075	-	-	6,075
	9,154	30,008	10,885	725,176	775,223
Less:					
Drawings of residents	-	-	8,959	-	8,959
Transfers to Great West Life	-	-	-	701,945	701,945
Transfers to Library Board/Municipality	9,154	-	-	-	9,154
	9,154	-	8,959	701,945	720,058
BALANCE, end of year	\$ 332,886	\$ 987,970	\$ 10,956	\$ 184,327	\$1,516,139

See accompanying notes.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE (and its affiliated Boards)

TRUST FUNDS

NOTES TO FINANCIAL INFORMATION

YEARS ENDED DECEMBER 31, 2019 & 2018

1. NATURE OF OPERATIONS

This financial information reflects the financial activity and financial position of funds held in trust for perpetual care of the cemetery, residents of the Teck Pioneer Residence, the Public Library Board and Great West Life Benefits.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial information of the Trust Funds is the representation of management prepared in accordance with accounting principles considered appropriate for entities of this type. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial information necessarily involves the use of estimates and approximations. These have been made using careful judgment and in the light of information available. The financial information has, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policy summarized below:

(a) BASIS OF ACCOUNTING

Receipts and disbursements on the Statement of Continuity are reported on the accrual basis of accounting with the exception of Teck Pioneer Residence deposits and drawings which are reported on the cash basis of accounting.

(b) INVESTMENTS

All investments are recorded at fair market value.

3. LIBRARY BEQUEST FUND

In 1994, the Public Library Board of the Corporation of the Town of Kirkland Lake received \$332,886 from the Estate of May Alexandra Ball. The funds advanced to the Library are to be kept invested and the interest earned on these funds used as the Board shall decide from time to time will best serve the needs of the Library, with special emphasis on the purchase of new books.

On December 3, 2014, the Trust Fund was transferred, at an amount of \$332,886, into a 10 year non-cashable Guaranteed Interest Contract with an interest rate of 2.75%. Interest will be paid out annually on the anniversary date and will be used by the Library to purchase books.

The fair value of the investment as at December 31, 2019 was \$332,886 (2018 - \$332,886).

4. CEMETERY PERPETUAL CARE FUND

The Cemetery Perpetual Care Fund, administered by the Municipality, is funded by the sale of cemetery plots and graves and by the collection of monument maintenance fees. Earnings derived from these funds are used to perform perpetual care maintenance at the Municipality's cemetery. The operations and investments of the Cemetery Perpetual Care Fund are undertaken by the Municipality in accordance with the regulations of the Cemeteries Act.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE (and its affiliated Boards)

TRUST FUNDS

NOTES TO FINANCIAL INFORMATION (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

4. CEMETERY PERPETUAL CARE FUND (CONT'D)

In 2014, a loan of \$100,000 was made to the Town of Kirkland Lake from the Cemetery Perpetual Care Fund in order for the Municipality to build a columbarium at the Kirkland Lake Cemetery. This loan was approved by the Cemeteries Regulation Unit of the Ministry of Consumer Services. As each niche is sold in the columbarium, \$291.90 of the fee charged is applied as a repayment of this interest free loan. The balance of the loan as at December 31, 2019 was \$74,727 (2018 - \$76,770).

5. TECK PIONEER RESIDENCE TRUST FUND

The Teck Pioneer Residence Trust Fund represents funds held in trust by the Municipality for residents of Teck Pioneer Residence in Kirkland Lake, Ontario.

6. GREAT WEST LIFE BENEFITS TRUST FUND

The Great West Life Benefits Trust Fund represents funds held in trust by the Municipality for its self-insured benefit plan, covering Health, Dental and Vision benefits.

DRAFT

**MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE
(and its affiliated Boards)**

SCHEDULE 1

TRUST FUNDS

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 2018

	Library Bequest Fund	Cemetery Perpetual Care Fund	Teck Pioneer Residence Trust	Great West Life Benefits Trust	2018
BALANCE, beginning of year	\$ 332,886	\$ 943,246	\$ 7,370	\$ 266,300	\$1,549,802
Add:					
Deposits	-	-	13,493	530,245	543,738
Interest/Dividends earned	9,156	5,715	-	3,998	18,869
Monument maintenance fees	-	1,600	-	-	1,600
Plots and graves sold	-	7,401	-	-	7,401
	9,156	14,716	13,493	534,243	571,608
Less:					
Drawings of residents	-	-	11,833	-	11,833
Transfers to Great West Life	-	-	-	639,447	639,447
Transfers to Library Board/Municipality	9,156	-	-	-	9,156
	9,156	-	11,833	639,447	660,436
BALANCE, end of year	\$ 332,886	\$ 957,962	\$ 9,030	\$ 161,096	\$1,460,974

2019 FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

TOWN OF KIRKLAND LAKE

JULY 14, 2020

The Town of Kirkland Lake's consolidated financial statements have been prepared in accordance with reporting standards set by the Public Sector Accounting Board (PSAB).

The consolidated financial statements include financial results of:

- The Town of Kirkland Lake;
- The Public Library Board;
- The Museum of Northern History;
- The Teck Pioneer Residence Committee of Management; and
- The 100th Anniversary Committee (within 2018 comparative figures)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- Highlights four key figures to describe the financial position of the Town
 - Cash position
 - Net financial asset position
 - Non-financial assets
 - Accumulated surplus (deficit)

- Cash Position

- Town's cash position closely managed and remains adequate.
- Year end cash position has increased to \$8.7M from \$5.4M in 2018.
- Year over year increase largely due to timing of capital projects.

- Non-Financial Assets

- The Town's tangible capital assets (net of amortization expense) were \$117.9M, a decrease of \$3.1M year over year.

- Net Financial Position

- Town's financial liabilities exceeded its financial assets by \$16.0M.
- Improved year over year by approximately 18%
- Liability associated with Deferred Revenues increasing year over year due to delays in timing of capital projects.
- Long-term debt decreasing year over year with only one new debt agreement entered into in 2019.

- Accumulated Surplus

- Town's accumulated surplus for year ending December 31, 2019 is \$102.0M (\$101.7M – 2018).

RESERVES AND RESERVE FUNDS

- Reserves and reserve funds are used to set aside monies for future replacement of assets or manage other expected and unexpected obligations.
- Key component of financial stability.
- Total reserve and reserve funds were \$6.3M (\$4.0M – 2018).
 - Increase largely tied to timing of capital projects.

CONSOLIDATED STATEMENT OF OPERATIONS

- Revenues
 - Revenues of \$32.7M in 2019, increasing 2.9% over 2018 (\$31.8M)
 - Taxation revenues increased 10.5% year over year
 - User fee revenues increased 8.5% year over year
- Expenses
 - Total expenses of \$32.4M in 2019, increasing 6.4% over 2018 (\$30.4M)
 - Protection to persons and property increasing 21% year over year
 - Transportation Services increasing 10% year over year
 - Recreation and Cultural Services increasing 17% year over year
 - Planning and Development Services increasing 62% year over year

SUMMARY & HIGHLIGHTS

- Overall surplus position for 2019
- Overall 2019 operating expenses lower than anticipated in budget
- User based revenues higher than anticipated in budget
- Increased financial position and reserve/reserves funds intended to accommodate 2020 capital projects

QUESTIONS

**DISTRICT OF TIMISKAMING SOCIAL
SERVICES ADMINISTRATION BOARD**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 & 2018

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 & 2018

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Independent auditor's report

To the Members of the Board of Directors of the
District of Timiskaming Social Services Administration Board

Opinion

We have audited the consolidated financial statements of the District of Timiskaming Social Services Administration Board ("the Entity"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the District of Timiskaming Social Services Administration Board as at December 31, 2019, and its results of operations, its changes in its net financial assets, 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 consolidated 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 a 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 Consolidated 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 risks 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. 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.
- 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 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 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

New Liskeard, Canada
May 7, 2020

Chartered Professional Accountants
Licensed Public Accountants

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

	2019	2018
FINANCIAL ASSETS		
Cash (Note 3)	\$ 7,508,221	\$ 8,286,681
Accounts receivable (Note 4)	786,300	731,570
Portfolio Investments (Note 5)	3,774,393	3,036,490
TOTAL FINANCIAL ASSETS	\$ 12,068,914	\$ 12,054,741
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,405,101	\$ 1,537,871
Deferred revenue (Schedule 3)	338,599	1,013,536
Due to Province of Ontario (Note 7)	390,664	776,615
Accrued benefit liability (Note 8)	1,256,800	1,163,003
Net long-term liabilities (Note 9)	4,411,990	2,294,475
TOTAL LIABILITIES	7,803,154	6,785,500
NET FINANCIAL ASSETS	\$ 4,265,760	\$ 5,269,241
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	\$ 7,254,540	\$ 4,018,167
Prepaid expenses	648,666	634,996
	7,903,206	4,653,163
ACCUMULATED SURPLUS (Schedule 1)	\$ 12,168,966	\$ 9,922,404

CONTINGENCIES AND COMMITMENTS (Notes 14 and 17)

Approved by:



 Board Chair



 Chief Administrative Officer

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEARS ENDED DECEMBER 31

	-----2019-----		2018
	Budget (Note 19)	Actual	Actual
REVENUE			
Municipal and TWOMO (Schedule 4)	\$ 8,014,512	\$ 8,014,512	\$ 7,968,127
Government of Canada	1,423,172	1,423,172	1,443,272
Province of Ontario	24,522,428	23,402,423	22,909,405
Gain on disposal of tangible capital assets	-	-	513,727
Restructuring (Note 20)	-	972,532	-
Rent and Other	2,350,500	2,531,255	2,442,042
Investment Income	34,500	76,962	88,941
Interest Income	70,000	156,659	143,318
TOTAL REVENUE	36,415,112	36,577,515	35,508,832
EXPENSES			
CURRENT OPERATIONS			
Children's Services	11,225,142	11,118,999	9,956,719
Land Ambulance	6,546,871	6,524,457	6,487,199
Ontario Works	8,260,086	7,241,393	7,923,658
Social Housing	6,757,826	6,237,601	7,210,398
	32,789,925	31,122,450	31,577,974
Administration of Programs (Schedule 8)	3,472,533	3,208,503	3,168,677
TOTAL EXPENSES	36,262,458	34,330,953	34,746,651
ANNUAL SURPLUS	152,654	2,246,562	762,181
ACCUMULATED SURPLUS, BEGINNING OF YEAR	9,922,404	9,922,404	9,160,223
ACCUMULATED SURPLUS, END OF YEAR	\$ 10,075,058	\$ 12,168,966	\$ 9,922,404

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEARS ENDED DECEMBER 31

	-----2019-----		2018
	Budget (Note 19)	Actual	Actual
ANNUAL SURPLUS	\$ 152,654	\$ 2,246,562	\$ 762,181
Acquisition of tangible capital assets	(585,000)	(3,941,179)	(1,445,560)
Amortization of tangible capital assets	665,542	698,962	1,364,994
Gain on disposal of tangible capital assets	-	(6,884)	(513,727)
Proceeds on disposal of tangible capital assets	-	12,728	528,000
Increase in prepaid expenses	-	(13,670)	(52,927)
	80,542	(3,250,043)	(119,220)
INCREASE IN NET FINANCIAL ASSETS	233,196	(1,003,481)	642,961
NET FINANCIAL ASSETS, BEGINNING OF YEAR	5,269,241	5,269,241	4,626,280
NET FINANCIAL ASSETS, END OF YEAR	\$ 5,502,437	\$ 4,265,760	\$ 5,269,241

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD**CONSOLIDATED STATEMENT OF CASH FLOW**

FOR THE YEARS ENDED DECEMBER 31

	2019	2018
OPERATING TRANSACTIONS		
ANNUAL SURPLUS	\$ 2,246,562	\$ 762,181
Change in non-cash operating balances:		
Accounts receivable	(19,795)	(150,486)
Due to/from Province of Ontario	(385,951)	1,228,278
Accounts payable and accrued liabilities	(163,557)	267,407
Deferred revenue	(674,937)	991,384
Accrued benefit liability	93,797	(18,632)
Prepaid expenses	3,247	(52,927)
Non-cash item - amortization	698,962	1,364,994
Non-cash item - restructuring	(910,720)	-
CASH PROVIDED BY OPERATING TRANSACTIONS	887,608	4,392,199
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(1,449,398)	(1,445,560)
Proceeds on disposal of tangible capital assets	12,728	528,000
Gain on disposal of tangible capital assets	(6,884)	(513,727)
CASH APPLIED TO CAPITAL TRANSACTIONS	(1,443,554)	(1,431,287)
INVESTING TRANSACTIONS		
Proceeds from portfolio investments	791,374	656,409
Purchase of portfolio investments	(588,987)	(607,485)
Other	18,667	26,134
CASH PROVIDED BY INVESTING TRANSACTIONS	221,054	75,058
FINANCING TRANSACTIONS		
Net long-term liabilities repaid	(443,568)	(375,516)
CASH APPLIED TO FINANCING TRANSACTIONS	(443,568)	(375,516)
NET CHANGE IN CASH	(778,460)	2,660,454
CASH, beginning of year	8,286,681	5,626,227
CASH, end of year	\$ 7,508,221	\$ 8,286,681

See accompanying notes.

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 & 2018

1. NATURE OF OPERATIONS

The District of Timiskaming Social Services Administration Board ("DTSSAB" or "the Board") is an organization which administers various programs of the Ministry of Children, Community and Social Services, the Ministry of Education, the Ministry of Health and Long-Term Care and the Ministry of Municipal Affairs and Housing. The Board also provides social housing in the District of Timiskaming. The Board is funded primarily by the Ministry of Children, Community and Social Services, the Ministry of Education, the Ministry of Health and Long-Term Care, the Ministry of Municipal Affairs and Housing, twenty-three municipalities from the District of Timiskaming and territories without municipal representation.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of The District of Timiskaming Social Services Administration Board are the representations of management and have been prepared by management in accordance with Canadian Public Sector Accounting Standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA"). 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.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are 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.

The focus of PSAB financial statements is on the financial position of the Board and the changes thereto. The Consolidated Statement of Financial Position reports the financial assets and liabilities of the Board. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. The significant accounting policies are summarized below:

(a) BASIS OF CONSOLIDATION

The Board owns 100% of the outstanding shares of the Timiskaming District Housing Corporation. These consolidated financial statements reflect the financial assets, liabilities, operating revenue and expenditures, Reserves, Reserve Funds and changes in investment in tangible capital assets of the Corporation for the year ended December 31, 2019.

As a result of a restructuring transaction (see Note 20), the Board also controls the Kirkland Lake Non-Profit Housing Corporation. These consolidated financial statements reflect the financial assets, liabilities, operating revenue and expenditures, reserves and changes in investment in tangible capital assets of this entity effective from October 16, 2019 to December 31, 2019.

All interfund assets, liabilities, revenue and expenditures have been eliminated.

(b) BASIS OF ACCOUNTING

(i) Accrual basis of accounting

Revenues and expenditures are reported on the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with financial institutions and short-term deposits with original maturities of three months or less.

(iii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the Change in Net Financial Assets (Debt) for the year.

Tangible capital assets ("TCAs")

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

Buildings	40 years
Vehicles	5 years
Computer hardware	5 years
Office furniture and equipment	5 years
Medical equipment	5 years
Operating equipment	10 years
Leasehold improvements	remaining life of lease

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

The DTSSAB has a capitalization threshold of \$5,000. Individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. An examples of pooled assets are computer systems.

Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

Leases

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

(iv) Investments

Investments are recorded at amortized cost less amounts written off to reflect a permanent decline in value. Investments consist of authorized investments pursuant to provisions of the Municipal Act and as authorized by Provincial Regulation 655/05 and the Investment Policy approved by the Board.

(v) Reserves and Reserve Funds

Reserves and reserve funds represent amounts appropriated for general and specific purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved. The amounts in reserves are approved by the Board and are within the limits defined in the District Social Services Administration Boards Act.

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(vi) Government Transfers

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.

(vii) Use of Estimates

The preparation of the 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 date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include amounts owed to/from various funding agencies, obligations related to employee future benefits and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(c) REVENUE RECOGNITION

The programs administered by the Board are funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Children, Community and Social Services, the Ministry of Education, the Ministry of Municipal Affairs and Housing and the Ministry of Health and Long-Term Care. Any excess of program funding over expenditures is due to the Province of Ontario.

The programs are also funded by twenty-three municipalities from the District of Timiskaming and territories without municipal representation. Contributions for the year were calculated based on the approved cost apportionment formula applied to the Board's budget for the year.

Interest income derived from cash and equivalents and other marketable securities is recognized using the effective interest rate method.

Rental revenue is recognized when rent is receivable based on tenant occupancy. Prepaid rents are recorded as deferred revenue.

(d) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, retirement gratuity, worker's compensation and long-term disability benefits. The Board has adopted the following policies with respect to accounting for these employee benefits:

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (CONT'D)

- (i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities and life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, long-term disability and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

- (ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System (OMERS) pensions, are the employer's contributions due to the plan in the period.
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

3. RESTRICTED CASH

Certain cash balances have been set aside by the Board to meet the requirements of reserve funds created by the Board for specific purposes. The restricted cash has been internally restricted to offset specific reserve funds. These reserve funds are listed on Schedule 1.

	2019	2018
Cash	\$ 7,014,521	\$ 7,767,705
Restricted Cash	493,700	518,976
	\$ 7,508,221	\$ 8,286,681

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

4. ACCOUNTS RECEIVABLE

	2019	2018
H.S.T./G.S.T. receivable	\$ 603,292	\$ 596,327
Due from funding municipalities	4,390	43,827
Other	178,618	91,416
	\$ 786,300	\$ 731,570

5. PORTFOLIO INVESTMENTS

Details of portfolio investments are as follows:

	2019	2018
Federal bonds	\$ 425,148	\$ 459,224
Provincial bonds	1,255,731	1,351,859
Corporate bonds	1,121,102	1,225,407
Canadian Bond fund	462,239	-
Canadian Equity fund	510,173	-
	\$ 3,774,393	\$ 3,036,490

The portfolio investments earn rates of return ranging from 1.20% to 4.25% per annum and are recorded at cost adjusted for amortization of discount or premium. The portfolio investments mature from June 15, 2020 to June 2, 2024. The portfolio investments have a market value of \$427,775, \$1,253,304, \$1,131,054, \$471,434 and \$587,723 respectively (2018 - \$458,487, \$1,337,296 and \$1,206,201). Portfolio investments have been restricted to offset specific reserve funds (Schedule 1).

6. OPERATING LINE LOAN AGREEMENT

The District of Timiskaming Social Services Administration Board has entered into an operating line loan agreement with its financial institution. The credit limit for this agreement is \$2,500,000. Interest is calculated at prime plus 1/2%. This operating line can be utilized from time to time to cover temporary cash shortfalls that may occur during the year. As security to the credit facilities, the Board has provided a second interest in all current and future personal property owned by the Board.

As at December 31, 2019, the outstanding balance of the operating line was NIL (2018 - NIL).

7. DUE FROM (TO) PROVINCE OF ONTARIO

	2019	2018
Ministry of Children, Community and Social Services	\$ (191,116)	\$ (329,191)
Ministry of Municipal Affairs and Housing	94,965	360,234
Ministry of Health and Long Term Care	45,361	-
Ministry of Education	(339,874)	(807,658)
	\$ (390,664)	\$ (776,615)

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

8. ACCRUED BENEFIT LIABILITY

The DTSSAB provides extended health care, dental, life insurance and vacation benefits to substantially all full-time employees. The cost of premiums for these benefits is shared by the DTSSAB and full-time employees. The DTSSAB also provides sick leave benefits that accumulate. The DTSSAB's accrued benefit obligation relating to post-retirement plans, accumulated sick leave, and other accrued benefits is as follows:

	2019	2018
Vacation payable	\$ 644,648	\$ 564,307
Sick leave	190,574	203,211
Banked time	93,637	72,520
WSIB Obligations	132,522	141,864
Retirement Benefits	195,419	181,101
	\$ 1,256,800	\$ 1,163,003

The following table sets out the actuarial results for each of the plans as at December 31, 2019.

	2019		2018	
	Accumulated Sick Leave	Retirement Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued Benefit Obligation (ABO), beginning of year	\$ 203,211	\$ 181,101	\$ 384,312	\$ 384,452
Add: Benefit/service cost	19,276	8,724	28,000	26,459
Interest and Amortization	(7,333)	8,217	884	434
Less: Benefit payments	(24,580)	(2,623)	(27,203)	(27,033)
Expected Accrued Benefit Obligation, end of year	\$ 190,574	\$ 195,419	\$ 385,993	\$ 384,312

The significant actuarial assumptions adopted in estimating the DTSSAB's accrued benefit obligation are as follows:

Discount rate	3.75%
General inflation	1.75%
Dental cost trend rates	3.75%
Wage and salary escalation	2.75%
Health care cost rates	6.75%, phasing down to an ultimate rate of 3.75% by 2027.
Sick leave accumulation	20.1 to 23 hrs per year net accumulation
Sick leave use of prior credits	22.7% of credits used were accumulated in prior years

The accrued benefit liability has been determined by an actuary based on an actuarial valuation performed as at December 31, 2017. There are no assets associated with the DTSSAB's Plan. The next required actuarial valuation will be performed as at December 31, 2020.

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

9. NET LONG-TERM LIABILITIES

	2019	2018
Mortgage payable to Canada Mortgage and Housing Corporation, bearing interest at 1.39% per annum, repayable in monthly blended installments of \$15,067. The loan matures on March 1, 2025 (renewal date is June 1, 2020). As security, the DTSSAB has pledged the land and buildings located on Fifth Street in Kirkland Lake. The carrying amount of the secured assets is \$906,175.	\$ 915,100	\$ -
Mortgage payable to Canada Mortgage and Housing Corporation, bearing interest at 2.24% per annum, repayable in monthly blended installments of \$19,537. The loan matures on March 1, 2027 (renewal date is March 1, 2022). As security, the DTSSAB has pledged the land and buildings located on Pollock Avenue in Kirkland Lake. The carrying amount of the secured assets is \$1,552,186.	1,584,953	-
Debenture debt (see below)	1,911,937	2,294,475
	\$ 4,411,990	\$ 2,294,475

The gross amount of interest paid during 2019 was \$148,300 (2018 - \$165,164).

Principal payments due on net long-term liabilities within the next five years and thereafter, are approximately as follows:

2020	\$ 782,944
2021	679,363
2022	678,190
2023	659,194
2024	683,123
Subsequent to 2024	929,176
	\$ 4,411,990

The majority of Ontario public housing projects were originally financed by Ontario Housing Corporation ("OHC") debentures. The OHC debentures were not assigned to or assumed by the Local Housing Corporation's ("LHC") when devolution became effective January 1, 2001. As the debentures are not assignable, the OHC will continue to hold the debentures with the debenture repayment amounts to be deducted from federal funds received by the District of Timiskaming Social Services Administration Board on behalf of the LHC. There are 18 debentures with interest rates ranging from 6.089% to 8.1% and maturing in January 2020 to January 2027. For 2019, the debenture repayment amount was \$522,660 (2018 - \$522,660).

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

10. PENSION AGREEMENT

All permanent employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer pension plan. Employer contributions made to OMERS during the year ended December 31, 2019 amounted to \$693,584 (2018 - \$672,874).

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. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of the all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2019. The results of this valuation disclosed total actuarial liabilities of \$107,687 million with respect to benefits accrued for service with actuarial assets at that date of \$104,290 million indicating an actuarial deficit of \$3,397 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Board does not recognize any share of the Plan surplus or deficit.

11. ECONOMIC DEPENDENCE

The continuation of this organization is dependent on funding received from the Ministry of Children, Community and Social Services, the Ministry of Education, the Ministry of Municipal Affairs and Housing, the Ministry of Health and Long-Term Care, the funding municipalities and territories without municipal organization.

12. FINANCIAL INSTRUMENTS

Fair Value

The carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities, and amounts due to and from the Province of Ontario approximate their fair value due to the short-term maturities of these instruments. The carrying amount of the long-term debt approximates fair value as the Board's current rate of borrowing for similar debt instruments of comparable maturity is not materially different. The fair value of the accrued benefit liability is disclosed in Note 8.

Credit Risk

Financial instruments which potentially subject the Board to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable and portfolio investments.

Cash and cash equivalents are maintained with financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal risk.

A large portion of the accounts receivables are due from other levels of government. All receivables are deemed to be collectable.

Liquidity Risk

Liquidity risk is the risk that the DTSSAB will encounter difficulty in meeting the obligations associated with its financial liabilities. The DTSSAB is exposed to this risk mainly in respect of its long-term debt and accounts payable and accrued liabilities.

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

12. FINANCIAL INSTRUMENTS (CONT'D)

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the DTSSAB manages exposure through its normal operating and financing activities. The DTSSAB is exposed to interest rate risk primarily through its portfolio investments (Note 5) and net long-term liabilities (Note 9).

13. TANGIBLE CAPITAL ASSETS

Schedule 2 provides information on the tangible capital assets of the DTSSAB by major asset class, as well as for accumulated amortization of the assets. The reader should be aware of the following information relating to tangible capital assets.

Contributed tangible capital assets

The DTSSAB records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. There were no such transfers in 2019 (2018 - \$0).

14. CONTINGENCIES

The Board is involved in various claims and disputes. Annually, it reviews the status of each significant matter and assesses its potential financial exposure. If the potential loss from any claim or dispute is considered probable and the amount can be reasonably estimated, a liability is accrued for the estimated loss. Significant judgment is involved in both the determination of probability and the determination as to whether an exposure is reasonably estimable. Due to uncertainties related to these matters, accruals are based on the best information available at the time. As additional information becomes available, the Board reassesses the potential liability relating to the expected outcomes and it may revise its estimates. Such revisions in estimates or potential liabilities could have a material impact on the results of the Board's financial position and results of operations.

15. FORGIVABLE LOANS

Included in the Housing Program expenditures is \$318,704 (2018 - \$379,198) in government transfers with forgivable conditions. These government transfers are issued to low income home owners as forgivable loans. The loans are to be written off over 10 and 20 years. However, if the house is sold before the end of the forgiveness period, the home owner must repay a pro-rated amount back to the Board. If the Board receives funds due to a homeowner selling their property, the amount is used by the Board to grant a new loan to another low income home owner.

During the current year, recoveries of \$35,930 (2018 - \$84,448) were collected on sale of properties originally renovated under the forgivable loan program.

Since the beginning of the loan program, forgivable loans of \$4,893,073 (2018 - \$4,569,391) have been issued. The forgivable portion remaining at December 31, 2019 is \$1,585,400 (2018 - \$1,629,303).

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

16. SEGMENTED INFORMATION

The District of Timiskaming Social Services Administration Board supports the development of healthy and self-sufficient communities through the innovative and responsive delivery of Children's Services, Social Housing, Land Ambulance and Social Assistance. For reporting purposes the Board's financial activities are organized and reported by program.

Certain programs that have been separately disclosed in the segmented information, along with the services they provide are as follows:

Land Ambulance

The DTSSAB provides emergency and non-emergency land ambulance services to the 23 member municipalities and territories without municipal organization in the District of Timiskaming. The ambulance services are operated from three locations throughout the district.

Social Assistance

Through the Ontario Works program, the DTSSAB provides financial and employment assistance to individuals in temporary financial need. The goals are to assist participants in achieving independence and self reliance and to transition the participants to the workforce.

Social Housing

The DTSSAB social housing program is responsible for the direct management of the public housing portfolio, the administration of the Non-profit and Urban and Native Housing projects within the district, administration of various federal and provincial housing programs, and the administration and maintenance of the central waiting list within the district.

Children's Services

The DTSSAB administers funding to child care operators within the district in accordance with the Day Nurseries Act.

For each reported segment, revenue and expenses represent both the amounts that are directly attributable to the segment as well as amounts that can reasonably be allocated to the segment. Administration costs are allocated to the programs based on an availability of funding as well as an estimate of their consumption of administrative services. The accounting policies utilized in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2.

The segmented financial information is included on the Consolidated Schedules of Segment Disclosure - (Schedules 6 and 7).

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

17. LEASE COMMITMENTS

The Board has entered into an agreement to lease office space in Englehart, Ontario for a base amount of \$13,300 (excluding taxes) annually. Rent is adjusted annually on April 1st to a maximum increase of 5% each year. The lease expired on April 30, 2012 but has been extended until April 30, 2022.

The Board has entered into an agreement to lease an ambulance base in Englehart, Ontario for \$42,000 (excluding taxes) annually. The lease expired on January 31, 2012 but has been extended until January 31, 2022.

The Board has entered into an agreement to lease an ambulance base in Kirkland Lake, Ontario for \$45,000 (excluding taxes) annually. The lease expired on December 31, 2014 but has been extended until December 31, 2024.

The Board has entered into an agreement to lease iMedic Electronic Ambulance Call Reporting software for its Land Ambulance operations. The lease has been extended until December 31, 2022 in the following annual amounts (excluding taxes); 2020 - \$52,668, 2021 - \$54,478, and 2022 - \$55,647.

The Board has entered into an agreement to lease office space in New Liskeard, Ontario for \$163,800 (excluding taxes) annually. The lease expires on March 31, 2021.

18. PROVINCE OF ONTARIO GOVERNMENT TRANSFERS

Revenue from the Province of Ontario has been calculated according to the terms of the governing statutes and is subject to final approval by the Province. Ultimate determination of amounts is dependent upon the reconciliation of funding by the Province of Ontario. Adjustment to the accounting records is made at the time of final settlement.

19. BUDGET AMOUNTS

The budget adopted for the current year was prepared on a cash basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budget amounts is presented below.

	2019
ADOPTED BUDGET:	
Surplus/Deficit Cash Basis	\$ -
Add:	
Tangible Capital Asset Additions	585,000
Debt Principal Repayments	382,538
Transfer to Reserves/Reserve Funds	412,722
Less:	
Transfer from Reserves/Reserve Funds	(562,064)
Budgeted Surplus/Deficit	818,196
ADJUSTMENTS:	
Amortization of Tangible Capital Assets	(665,542)
ANNUAL SURPLUS/DEFICIT	\$ 152,654

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

20. RESTRUCTURING TRANSACTION

On October 16, 2019, the Board of Directors passed a resolution to transfer the ownership of the Kirkland Lake Non-Profit Housing Corporation ("KLNPHC") to the DTSSAB, and control of KLNPHC has been established. The transfer of ownership was approved due to operational and governance issues throughout the period, and the DTSSAB determined that the transfer of ownership would ensure the best continuity of service to the tenants of KLNPHC. All assets, liabilities and rental related operational requirements have been assumed by DTSSAB. There was no compensation, contingent liability or contractual obligation transferred.

The following assets and liabilities were transferred at October 16, 2019:

FINANCIAL ASSETS	
Cash	\$61,812
Accounts receivable	34,935
Investments	958,957
LIABILITIES	
Accounts payable	30,787
Long-term debt	2,561,083
NON-FINANCIAL ASSETS	
Tangible capital assets	2,491,781
Prepaid expenses	16,917
<hr/>	
NET RESTRUCTURING TRANSACTION	\$972,532

There were no restructuring costs associated with this transfer.

The net restructuring transaction is recorded separately in the consolidated statement of operations. Included in the consolidated statement of operations, under the social housing segment, are the results of operations from the restructuring date to December 31, 2019:

REVENUE	
Rent and other	\$63,651
Investment income	13,456
EXPENSES	
Amortization	\$33,420
Interest on long-term debt	8,178
Materials	18,146
Contracted services	16,973

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2019 & 2018

21. SUBSEQUENT EVENT

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

To date, the COVID-19 pandemic has resulted in various changes to operations, including significant changes to the DTSSAB's land ambulance services as it relates to its paramedics. Although these changes have resulted in additional costs, the DTSSAB is also applying for increased government funding which could offset some, if not all, of these costs. Some of the DTSSAB's tenants under the social housing program are facing additional financial pressures that may impact their ability to make their rental payments on a timely basis. However, recent government announcements will provide additional funding in this area. Although child care centers have been forced to close their operations as a result of government legislation, the DTSSAB is still currently providing funding to those agencies until further guidance is provided by the government.

The DTSSAB has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the DTSSAB for future periods.

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS

AS AT DECEMBER 31

	2019	2018
RESERVE FUNDS (Schedule 5) :		
Social Housing Capital	\$ 2,692,726	\$ 2,108,096
Land Ambulance Severance	342,638	338,384
Land Ambulance Vehicle Purchases	488,103	316,347
Land Ambulance Equipment Purchases	166,877	127,370
Land Ambulance Base Improvements	5,000	-
Health Benefits	106,061	104,257
Best Start	287,999	301,871
Child Care Mitigation	1,557,048	2,094,227
IT Equipment	88,338	74,022
TOTAL RESERVE FUNDS	5,734,790	5,464,574
RESERVES:		
Working Capital	4,848,426	3,897,141
TOTAL RESERVES	4,848,426	3,897,141
TOTAL RESERVES AND RESERVE FUNDS	\$ 10,583,216	\$ 9,361,715
SURPLUS (DEFICIT)		
Invested in Tangible Capital Assets	7,254,540	4,018,167
Long-Term Debt used to Fund Tangible Capital Assets	(4,411,990)	(2,294,475)
UNFUNDED		
Accrued benefit liability	(1,256,800)	(1,163,003)
TOTAL SURPLUS	1,585,750	560,689
ACCUMULATED SURPLUS	\$ 12,168,966	\$ 9,922,404

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

YEARS ENDED DECEMBER 31

	General Capital Assets				Equipment			Totals		
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles	Computer Hardware and Software	Office Furniture & Equipment	Medical Equipment	Operating Equipment	Assets under Construction	2019	2018
Cost										
Opening costs	\$ 1,063,640	\$ 10,969,187	\$ 2,454,011	\$ 543,689	\$ 467,730	\$ 677,971	\$ 819,126	\$ 697,347	\$ 17,692,701	\$ 16,382,076
Additions during the year	312,214	8,978,047	277,613	97,733	6,936	80,612	98,837	-	9,851,992	1,994,069
Disposals and write downs	-	-	(235,327)	-	(6,043)	-	(56,852)	(697,347)	(995,569)	(683,444)
Closing costs	1,375,854	19,947,234	2,496,297	641,422	468,623	758,583	861,111	-	26,549,124	17,692,701
Accumulated Amortization										
Opening accum'd amortization	\$ -	\$ 9,911,785	\$ 1,772,300	\$ 491,098	\$ 446,273	\$ 532,175	\$ 520,903	\$ -	\$ 13,674,534	\$ 12,430,202
Amortization	-	182,263	318,112	47,613	8,418	75,648	66,908	-	698,962	1,364,994
Disposals/Adjustments and write downs	-	5,213,466	(235,327)	-	(6,043)	-	(51,008)	-	4,921,088	(120,662)
Closing accum'd amortization	-	15,307,514	1,855,085	538,711	448,648	607,823	536,803	-	19,294,584	13,674,534
Net Book Value of Tangible Capital Assets	\$ 1,375,854	\$ 4,639,720	\$ 641,212	\$ 102,711	\$ 19,975	\$ 150,760	\$ 324,308	\$ -	\$ 7,254,540	\$ 4,018,167

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

CONSOLIDATED SCHEDULE OF DEFERRED REVENUE

YEAR ENDED DECEMBER 31, 2019

	Balance, Beginning of Year	Increase in Deferred Revenue			Deferred Revenue Earned		Balance, End of Year
		Interest	Government Transfers	Other	To Operations	To Capital Acquisitions	
Social Housing - Rent	\$ 23,112	\$ -	\$ -	\$ 14,097	\$ -	\$ -	\$ 37,209
SAMS Undistributed Client Reimbursements	424	-	-	966	-	-	1,390
Community-Based Early Years and Child Care Capital Program	990,000	-	-	-	(690,000)	-	300,000
	\$ 1,013,536	\$ -	\$ -	\$ 15,063	\$ (690,000)	\$ -	\$ 338,599

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

CONSOLIDATED SCHEDULE OF MUNICIPAL REVENUE

YEARS ENDED DECEMBER 31

	2019	2018
Armstrong	\$ 268,986	\$ 265,228
Brethour	25,578	24,566
Casey	85,830	82,357
Chamberlain	89,287	88,241
Charlton/Dack	133,943	133,772
Cobalt	203,143	205,363
Coleman	195,664	197,380
Englehart	294,913	293,290
Evanturel	109,022	108,606
Gauthier	29,650	29,244
Harley	127,843	133,600
Harris	151,913	149,720
Hilliard	51,182	50,239
Hudson	156,543	156,239
James	97,902	98,745
Kerns	94,318	92,876
Kirkland Lake	1,536,698	1,531,444
Larder Lake	151,855	148,139
Latchford	118,623	120,445
Matachewan	58,721	56,953
McGarry	109,773	109,791
Temiskaming Shores	2,253,234	2,266,667
Thornloe	20,177	21,334
Unincorporated municipalities - TWOMO	1,649,714	1,603,888
	\$ 8,014,512	\$ 7,968,127

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

CONSOLIDATED SCHEDULE OF RESERVE FUNDS

FOR THE YEAR ENDED DECEMBER 31

	-----LAND AMBULANCE-----				--SOCIAL HOUSING--	--CHILDREN'S SERVICES--	-----GENERAL-----			TOTAL
	SEVERANCE	VEHICLE PURCHASES	EQUIPMENT PURCHASES	BASE IMPROVEMENTS	CAPITAL	BEST START	CHILD CARE MITIGATION	IT EQUIPMENT	HEALTH BENEFITS	
BALANCE, Dec. 31, 2018	\$ 338,384	\$ 316,347	\$ 127,370	\$ -	\$2,108,096	\$ 301,871	\$2,094,227	\$ 74,022	\$ 104,257	\$5,464,574
ADDITIONS										
Interest earned	8,245	7,940	3,712	-	51,233	11,262	-	816	1,804	85,012
(Loss) on Sale of Bonds	(24)	(22)	(9)	-	(262)	-	-	-	-	(317)
Transfer from operations	-	167,527	10,000	5,000	54,500	-	-	47,000	-	279,027
Other	-	-	64,655	-	-	-	-	-	-	64,655
Restructuring	-	-	-	-	972,532	-	-	-	-	972,532
DEDUCTIONS										
Amortization of Bonds	(2,244)	(2,087)	(808)	-	(10,188)	(3,024)	-	-	-	(18,351)
Administration Fees	(1,723)	(1,602)	(621)	-	(9,800)	(2,253)	-	-	-	(15,999)
Current year's utilization	-	-	(37,422)	-	(473,385)	(19,857)	(537,179)	(33,500)	-	(1,101,343)
BALANCE, Dec. 31, 2019	\$ 342,638	\$ 488,103	\$ 166,877	\$ 5,000	\$2,692,726	\$ 287,999	\$1,557,048	\$ 88,338	\$ 106,061	\$5,734,790

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE - 2019

FOR THE YEAR ENDED DECEMBER 31

	SOCIAL ASSISTANCE	CHILDREN'S SERVICES	LAND AMBULANCE SERVICES	SOCIAL HOUSING	OTHER	TOTAL 2019
REVENUE						
Government Transfers	\$ 8,839,699	\$ 10,525,347	\$ 2,885,581	\$ 2,574,968	\$ -	\$ 24,825,595
Municipalities and TWOMO	1,155,500	296,908	4,082,599	2,604,707	(125,202)	8,014,512
Other	119,130	18,880	121,588	2,492,323	12,955	2,764,876
Restructuring	-	-	-	972,532	-	972,532
TOTAL REVENUES	\$ 10,114,329	\$ 10,841,135	\$ 7,089,768	\$ 8,644,530	\$ (112,247)	\$ 36,577,515
EXPENDITURES						
Salaries and Benefits	\$ 2,224,287	\$ 571,642	\$ 5,335,879	\$ 1,010,699	\$ 32,290	\$ 9,174,797
Materials	378,747	104,411	702,126	1,952,380	7,593	3,145,257
Contracted Services	62,606	107,678	5,968	443,863	-	620,115
Rents and Financial Expenses	142,619	27,880	129,606	564,636	-	864,741
Interest on Long-Term Debt	-	-	-	8,178	-	8,178
Debenture Interest	-	-	-	140,122	-	140,122
External Transfers	7,157,290	10,555,679	42,138	1,923,673	-	19,678,780
Amortization	42,103	6,673	426,657	223,530	-	698,963
TOTAL EXPENDITURES	\$ 10,007,652	\$ 11,373,963	\$ 6,642,374	\$ 6,267,081	\$ 39,883	\$ 34,330,953
ANNUAL SURPLUS (DEFICIT)	\$ 106,677	\$ (532,828)	\$ 447,394	\$ 2,377,449	\$ (152,130)	\$ 2,246,562

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE - 2018

FOR THE YEAR ENDED DECEMBER 31

	SOCIAL ASSISTANCE	CHILDREN'S SERVICES	LAND AMBULANCE SERVICES	SOCIAL HOUSING	OTHER	TOTAL 2018
REVENUE						
Government Transfers	\$ 9,088,620	\$ 10,025,508	\$ 2,847,866	\$ 2,388,016	\$ 2,667	\$ 24,352,677
Municipalities and TWOMO	1,148,500	296,906	3,985,312	2,586,398	(48,989)	7,968,127
Other	98,713	22,154	61,741	2,992,873	12,547	3,188,028
TOTAL REVENUES	\$ 10,335,833	\$ 10,344,568	\$ 6,894,919	\$ 7,967,287	\$ (33,775)	\$ 35,508,832
EXPENDITURES						
Salaries and Benefits	\$ 2,135,814	\$ 587,793	\$ 5,332,357	\$ 1,071,457	\$ 28,223	\$ 9,155,644
Materials	321,489	108,251	707,273	1,844,202	6,826	2,988,041
Contracted Services	56,302	35,442	41,908	548,117	-	681,769
Rents and Financial Expenses	126,148	34,824	140,545	529,448	-	830,965
Interest on Long-Term Debt	-	-	-	465	-	465
Debenture Interest	-	-	-	164,607	-	164,607
External Transfers	7,817,267	9,515,276	-	2,227,625	-	19,560,168
Amortization	28,292	6,381	455,567	874,752	-	1,364,992
TOTAL EXPENDITURES	\$ 10,485,312	\$ 10,287,967	\$ 6,677,650	\$ 7,260,673	\$ 35,049	\$ 34,746,651
ANNUAL SURPLUS (DEFICIT)	\$ (149,479)	\$ 56,601	\$ 217,269	\$ 706,614	\$ (68,824)	\$ 762,181

DISTRICT OF TIMISKAMING SOCIAL SERVICES ADMINISTRATION BOARD

ADMINISTRATION OF PROGRAMS

FOR THE YEAR ENDED DECEMBER 31

	-----2019-----		2018
	Budget	Actual	Actual
ADMINISTRATION OF PROGRAMS			
Salaries, Wages and Benefits	\$ 2,658,200	\$ 2,411,512	\$ 2,439,247
Travel, Training and Meetings	125,800	95,405	63,769
Professional Fees	100,000	71,712	73,512
Rent / Lease	167,000	165,890	162,836
Telecommunications	48,300	45,514	51,692
Technology	74,500	81,177	59,239
Furniture and Equipment	500	9,488	21,480
Insurance	42,700	42,911	38,222
Office	67,700	79,677	70,480
Building Repairs and Maintenance	30,500	44,496	44,879
Recruitment	9,000	14,429	11,639
Utilities	20,000	15,500	19,977
Memberships and Subscriptions	26,000	21,566	19,081
Other Administration	49,700	56,593	53,313
Amortization	52,633	52,633	39,311
	\$ 3,472,533	\$ 3,208,503	\$ 3,168,677

TIMISKAMING HEALTH UNIT
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019

TIMISKAMING HEALTH UNIT

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FOR THE YEAR ENDED DECEMBER 31, 2019

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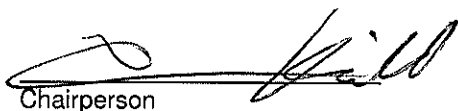
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of the Timiskaming Health Unit are the responsibility of the Timiskaming Health Unit'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 Canada. A summary of the significant accounting policies are described in Note 2 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.

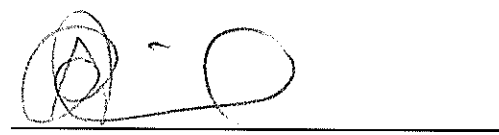
The Timiskaming Health Unit's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available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

The Board and/or the audit committee 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 Kemp Elliott & Blair LLP, independent external auditors appointed by the Timiskaming Health Unit. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Timiskaming Health Unit's financial statements.



Chairperson



Acting Chief Executive Officer
Acting Medical Officer of Health

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Health of the Timiskaming Health Unit

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Timiskaming Health Unit as at December 31, 2019, and the results of its operations, change in net financial assets and 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Timiskaming Health Unit in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management 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 Timiskaming Health Unit'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 Timiskaming Health Unit or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Timiskaming Health Unit's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Timiskaming Health Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Timiskaming Health Unit'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 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 Timiskaming Health Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Kemp Elliott & Blair LLP

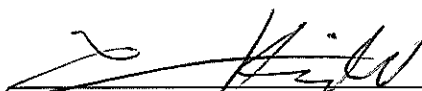
New Liskeard, Ontario
June 3, 2020

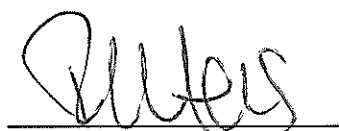
Kemp Elliott & Blair LLP
Chartered Professional Accountants
Licensed Public Accountants

TIMISKAMING HEALTH UNIT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash – note 6	\$ 1,432,344	\$ 2,150,019
Accounts receivable – note 7	182,690	134,039
Due from Province of Ontario – note 10	<u>30,742</u>	<u>9,217</u>
	<u>1,645,776</u>	<u>2,293,275</u>
LIABILITIES		
Accounts payable and accrued liabilities – note 8	535,691	427,612
Due to Province of Ontario – note 10	180,764	122,317
Deferred revenue – note 9	13,188	42,293
Retirement benefit liability – note 12	<u>340,395</u>	<u>322,781</u>
	<u>1,070,038</u>	<u>915,003</u>
Commitments – note 11		
NET FINANCIAL ASSETS	575,738	1,378,272
NON-FINANCIAL ASSETS		
Tangible capital assets – note 16	88,349	84,799
Prepaid expenses	<u>38,784</u>	<u>50,556</u>
	<u>127,133</u>	<u>135,355</u>
ACCUMULATED SURPLUS – note 13	<u>\$ 702,871</u>	<u>\$ 1,513,627</u>

Approved on behalf of the Board:


 Chairperson


 Director of Corporate Services

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Municipal Funded Programs (Sch 1 - Sch 3)	Other Programs (Sch 4 - Sch 22)	Actual 2019	Budget 2019	Actual 2018
REVENUES					
Province of Ontario	\$ 2,987,094	\$ 1,807,614	\$ 4,794,708	\$ 4,811,644	\$ 5,308,234
Province of Ontario – One-time	31,644	32,082	63,726	32,500	170,296
Municipalities (Sch. 1, pg. 20)	357,730	-	357,730	1,236,013	1,236,011
Sundry revenue	-	31,794	31,794	44,993	7,548
Offset revenue	122,467	-	122,467	80,000	61,247
Interest	38,777	-	38,777	-	28,597
Total revenues	3,537,712	1,871,490	5,409,202	6,205,150	6,811,933
EXPENDITURES					
Salaries and wages	2,418,925	1,194,887	3,613,812	3,939,882	4,020,469
Fringe benefits	653,568	267,199	920,767	990,452	1,017,131
Fees for service	317,824	15,538	333,362	220,670	387,151
Travel	50,321	31,627	81,948	77,903	102,439
Materials and supplies	289,507	162,004	451,511	332,963	339,842
Administrative	247,364	135,719	383,083	399,113	474,363
Rent and utilities	442,799	-	442,799	435,800	434,363
One-time expenditures	30,848	-	30,848	12,750	20,152
Amortization	34,435	-	34,435	-	42,814
	4,485,591	1,806,974	6,292,565	6,409,533	6,838,724
Allocated to other programs	(236,366)	-	(236,366)	(214,375)	(227,965)
Total expenditures	4,249,225	1,806,974	6,056,199	6,195,158	6,610,759
Annual surplus (deficit) before provincial settlements	(711,513)	64,516	(646,997)	9,992	201,174
Provincial settlements	5,214	158,544	163,758	-	111,226
Annual surplus (deficit)	\$ (716,727)	\$ (94,028)	(810,755)	9,992	89,948
Accumulated surplus, beginning of year			1,513,627	1,513,627	1,431,106
Change in accounting estimate – note 15			(1)	-	(7,427)
Accumulated surplus, end of year – note 13			\$ 702,871	\$ 1,523,619	\$ 1,513,627

The accompanying notes form an integral part of these financial statements

TIMISKAMING HEALTH UNIT
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
Annual surplus (deficit)	\$ (810,755)	\$ 9,992	\$ 89,948
Acquisition of tangible capital assets	(37,985)	-	(26,704)
Amortization of tangible capital assets	34,435	-	42,814
	<u>(3,550)</u>	<u>-</u>	<u>16,110</u>
Consumption of prepaid expenses	<u>11,772</u>	<u>-</u>	<u>8,976</u>
Increase (decrease) in net financial assets	(802,533)	9,992	115,034
Net financial assets, beginning of year	1,378,272	1,378,272	1,270,665
Change in accounting estimate – note 15	<u>(1)</u>	<u>-</u>	<u>(7,427)</u>
Net financial assets, end of year	\$ 575,738	\$ 1,388,264	\$ 1,378,272

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
Operating activities		
Annual surplus (deficit)	\$ (810,755)	\$ 89,948
Change in accounting estimate	(1)	(7,427)
Charges not affecting cash - Amortization	34,435	42,814
	<u>(776,321)</u>	<u>125,335</u>
Net change in non-cash working capital items –		
Accounts receivable	(48,651)	(10,767)
Due from Province of Ontario	(21,525)	23,467
Prepaid expenses	11,772	8,976
Accounts payable and accrued liabilities	108,079	2,211
Due to Province of Ontario	58,447	(90,923)
Deferred revenue	(29,105)	37,930
Retirement benefit liability	17,614	10,571
	<u>96,631</u>	<u>(18,535)</u>
Cash provided by (used for) operating activities	<u>(679,690)</u>	<u>106,800</u>
Capital activities		
Acquisition of tangible capital assets	<u>(37,985)</u>	<u>(26,704)</u>
Cash used for capital activities	<u>(37,985)</u>	<u>(26,704)</u>
Increase (decrease) in cash	(717,675)	80,096
Cash, beginning of year	<u>2,150,019</u>	<u>2,069,923</u>
Cash, end of year	<u>\$ 1,432,344</u>	<u>\$ 2,150,019</u>
Represented by		
Cash	<u>\$ 1,432,344</u>	<u>\$ 2,150,019</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

1. **Nature of operations**

The Timiskaming Health Unit offers public health services to the District of Timiskaming through a variety of programs. There are full-time offices in Kirkland Lake, Temiskaming Shores, and Englehart, Ontario and nursing stations in Matachewan and Elk Lake, Ontario.

In April 2019, the Province announced a plan to restructure the existing 35 Public Health Units to 10 Regional Health Units. Under this plan, it is expected that the Timiskaming Health Unit would amalgamate with six other Health Units in Region 9. While it is expected that this restructuring should take place within the next three years, it does not provide a specific deadline for the achievement of the amalgamation. In the meantime, the Timiskaming Health Unit continues to operate as a separate entity.

2. **Significant accounting policies**

The financial statements of the Timiskaming Health Unit ("the Health Unit") are the representations of management and have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The more significant of the accounting policies are summarized below.

(a) **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus (deficit), provides the Change in Net Financial Assets for the year.

(b) **Tangible capital assets**

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

Furniture and equipment	5 years
Leasehold improvements	5 years

Only one-half the normal rate of amortization is taken in the year of acquisition.

The Health Unit has a capitalization threshold of \$5,000. Individual assets of lesser value may be capitalized if they are pooled, or because, collectively, they have significant value, or for operational purposes.

(c) **Government transfers**

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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

(d) **Measurement uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Such estimates include provisions for amounts owed to the Province of Ontario, pay equity and union contract settlements, employee future benefits and various other accrued liabilities, and determination of tangible capital assets historical cost, estimated useful life and related amortization. Actual results could differ from these estimates.

(e) **Revenue recognition**

The programs administered by the Health Unit are funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long Term Care and the Ministry of Children, Community and Social Services. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. Any excess of program funding over recoverable expenditures is due to the Province of Ontario.

The programs are also funded by twenty-four municipalities from the District of Timiskaming. Contributions for the year were calculated based on the approved cost apportionment formula applied to the Health Unit's budget for the year. Any excess or deficiency of the municipalities' contributions in the year over their respective share of the Health Unit's expenditures is apportioned among the municipalities in the same proportion as the original contributions. During the year, the Health Unit refunded \$878,272 back to the municipalities at their proportionate share.

(f) **Retirement and other employee future benefits**

The Health Unit provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, and long term disability benefits. The Health Unit has adopted the following policies with respect to accounting for these employee benefits:

- (i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, insurance and health care costs trends, disability recovery rates, long term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for long term disability and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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

(ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period.

(iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

(g) **Financial instruments**

(i) **Fair value of financial instruments**

The Health Unit's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, deferred revenue and amounts due from (to) the Province of Ontario. Unless otherwise noted, it is management's opinion that the Health Unit is not exposed to significant interest or currency risks arising from these financial instruments. The carrying values of the Health Unit's financial instruments approximate their fair values unless otherwise noted.

(ii) **Credit risk**

The Health Unit does not have significant exposure to any individual or party. A large portion of the Health Unit's receivables are due from other levels of government and other Health Unit programs. No allowance for doubtful accounts has been established as at December 31, 2019 as management feels all receivables will be collected.

3. **Programs administered by the Health Unit**

These financial statements do not reflect any revenues or expenditures of the Community Health Centre Programs, Land Control Program and Stay on Your Feet Program, all of which are administered by the Health Unit. The Healthy Babies/Healthy Children Program has been moved this year to separate reporting as well. Each program is funded separately and reported upon in separate financial statements.

4. **Self-funded leave plan**

Under the self-funded leave plan, employees have the opportunity to be paid 80% of their salaries over four years. The remaining 20% is accumulated in a bank account to cover 80% of their salaries in the fifth year when they take a year leave of absence. The cash and related liability have been included with cash and accounts payable and accrued liabilities on the Statement of Financial Position.

5. **Interest**

In 2019, interest earned on the surplus account amounted to \$10,100 (2018 \$7,153). This amount is included in interest revenue reported on the Statement of Operations.

6. **Operating line loan agreement**

The Health Unit has entered into an operating line loan agreement with its financial institution. The credit limit for this agreement is \$300,000. Interest is calculated at prime plus 1%. This operating line is utilized from time to time to cover temporary cash shortfalls that may occur during the year.

As at December 31, 2019, the outstanding balance of the operating line was \$nil (2018 \$nil).

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

7. Accounts receivable

	<u>2019</u>	<u>2018</u>
Due from associated programs	\$ 56,925	\$ 42,961
GST/HST receivable	81,578	74,622
Municipalities	32,598	14,502
Sundry	11,589	1,954
	<u>\$ 182,690</u>	<u>\$ 134,039</u>

8. Accounts payable and accrued liabilities

	<u>2019</u>	<u>2018</u>
Trade payables and accrued liabilities	\$ 499,354	\$ 411,125
Due to associated programs	19,850	-
Due to DTSSAB	16,487	16,487
	<u>\$ 535,691</u>	<u>\$ 427,612</u>

9. Deferred revenue

	<u>December 31 2018</u>	<u>Funds Received</u>	<u>Revenue Earned</u>	<u>December 31 2019</u>
Ministry of Health and Long-Term Care				
Population Health Assessment	\$ 18,098	\$ -	\$ 18,098	\$ -
Northern Fruit and Vegetable	19,207	-	19,207	-
	<u>37,305</u>	<u>-</u>	<u>37,305</u>	<u>-</u>
Other Sources				
Healthy Kids Community Coalition	2,500	-	-	2,500
MTO Safe Winter Driving	120	-	-	120
Tobacco Free Timiskaming Coalition	1,075	-	-	1,075
Prevent Alcohol & Risk Related Trauma in Youth program	1,293	-	-	1,293
Ontario Active School Travel	-	30,000	21,800	8,200
	<u>4,988</u>	<u>30,000</u>	<u>21,800</u>	<u>13,188</u>
	<u>\$ 42,293</u>	<u>\$ 30,000</u>	<u>\$ 59,105</u>	<u>\$ 13,188</u>

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

10. Due from (to) Province of Ontario	Previous years	Current year	2019 Total	2018 Total
Due from Province of Ontario				
Mandatory Programs	\$ -	\$ 22,386	\$ 22,386	\$ -
Ontario Seniors Dental Care	-	629	629	-
Healthy Smiles Ontario	-	-	-	165
Needle Exchange – One-time	261	-	261	261
Northern Fruit and Vegetable	4,763	(9)	4,754	-
Smoke Free Ontario – One-time	2,712	-	2,712	2,712
Vaccine Refrigerators – One-time capital	-	-	-	6,079
	<u>7,736</u>	<u>23,006</u>	<u>30,742</u>	<u>9,217</u>
Due to Province of Ontario				
Mandatory Programs	-	-	-	(2,348)
Vector-Borne Disease	740	(3,851)	(3,111)	(716)
Small Drinking Water Systems	3	(1,363)	(1,360)	(2,276)
Early Years and Childcare Service	-	(59,920)	(59,920)	-
Infection control	(177)	-	(177)	(11,704)
Smoke Free Ontario	(4,603)	(34,306)	(38,909)	(6,487)
Chief Nursing Officer	(48)	(3,564)	(3,612)	(3,747)
Panorama	(15,138)	-	(15,138)	(31,847)
Healthy Smiles Ontario	-	(26,390)	(26,390)	-
Social Determinants of Health Nurses	2,377	(18,322)	(15,945)	(29,705)
Enhanced Food Safety	-	(744)	(744)	-
Enhanced Safe Water	-	(9,096)	(9,096)	(3,428)
Diabetes Prevention	(283)	(1,316)	(1,599)	(783)
Needle Exchange	(116)	(2,384)	(2,500)	(4,056)
Northern Fruit and Vegetables	-	-	-	(7,205)
Healthy Menu Choices	(157)	-	(157)	(157)
Harm Reduction	387	(2,493)	(2,106)	(17,858)
	<u>(17,015)</u>	<u>(163,749)</u>	<u>(180,764)</u>	<u>(122,317)</u>
Total Due from (to) Province of Ontario	<u>\$ (9,279)</u>	<u>\$ (140,743)</u>	<u>\$ (150,022)</u>	<u>\$ (113,100)</u>

The Mandatory Programs, Vector Borne Disease and Small Drinking Water Systems programs are funded 75% by the Ministry of Health and Long-Term Care ("the MOHLTC") and 25% by the member municipalities while the One-time, Unorganized Territories, Ontario Seniors Dental Care, Infection Control, Smoke Free Ontario, Chief Nursing Officer, Panorama, Healthy Smiles Ontario, Social Determinants of Health Nurses, Enhanced Food Safety, Enhanced Safe Water, Diabetes Prevention, Needle Exchange, Northern Fruit and Vegetable, Healthy Menu Choices and Harm Reduction programs are funded 100% by the MOHLTC. The Early Years and Childcare Service is funded 100% by the Ministry of Children, Community and Social Services ("the MCCSS").

The previous year's balances outstanding represent amounts owed or receivable for settlements in previous years which have not yet been processed by the MOHLTC and/or the MCCSS. Provincial funding is subject to historical audit by the Province of Ontario.

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

11. Commitments

Leases

The offices of the Health Unit are located in various leased premises. Minimum annual lease payments of approximately \$344,814 (excluding HST) are required with various expiry dates.

Information Technology

The Health Unit has entered into a five-year Information Technology agreement for \$7,000 (excluding HST) per month starting in June 2015. The agreement includes server, desktop/notebook, printer and network support, as well as a help desk application and consulting services on IT policies and purchases. The agreement includes an annual percentage increase of 4% per year and allows the Health Unit to terminate the agreement with a one year written notice or one year payment.

Financial Services

The Health Unit entered into a five-year Financial Services agreement based on an hourly rate beginning April 1, 2013 with a provision for an increase in the hourly rate based on the 2014 Cost of Living Rate effective April 1, 2015. This agreement may be terminated at any time by mutual agreement of the parties, after March 31, 2019 with 90 days' notice, or upon default by either party. As of April 1, 2019, the agreement has continued in force on a month-to-month basis.

12. Retirement and other employee future benefits

(a) Retirement and other employee future benefit liabilities

	<u>2019</u>	<u>2018</u>
Accrued employee future benefit obligations	\$ 272,163	\$ 249,427
Unamortized actuarial losses	<u>68,232</u>	<u>73,354</u>
Employee future benefit liability	<u>\$ 340,395</u>	<u>\$ 322,781</u>

(b) Retirement and other employee future benefit expenses

	<u>2019</u>	<u>2018</u>
Current year benefit cost	\$ 28,936	\$ 27,631
Amortization of actuarial gains and losses	(5,122)	(5,122)
Interest on accrued benefit obligation	<u>10,227</u>	<u>9,474</u>
Employee future benefits expenses ¹	<u>\$ 34,041</u>	<u>\$ 31,983</u>

¹ Excluding pension contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan, described below.

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

12. Retirement and other employee future benefits - continued

(c) Retirement benefits

(i) Ontario Municipal Employees Retirement System

All permanent employees of the Health Unit are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Health Unit contributions equal the employee contributions to the plan. During the year ended December 31, 2019, the Health Unit contributed \$354,404 (2018 \$392,001) to the plan. As this is a multi-employer pension plan, these contributions are the Health Unit's pension benefit expenses. No pension liability for this type of plan is included in the Health Unit's financial statements. As of December 31, 2019, OMERS has a funding deficit of \$3.4 billion (2018 \$4.2 billion) and Net Assets Available for Benefits of \$109.4 billion (2018 \$97.4 billion).

(ii) Retirement Life Insurance and Health Care Benefits

The Health Unit continues to provide life insurance and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The Health Unit provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities to this plan are included in the Health Unit's financial statements.

(d) Assumptions

The accrued benefit obligations for employee future benefit plans as at December 31, 2019 are based on actuarial valuations for accounting purposes as at December 31, 2017. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Health Unit's best estimates of expected rates of:

	2019	2018
Inflation	1.75%	1.75%
Wage and salary escalation	2.75%	2.75%
Insurance and health care cost escalation	6.4167% for 2019 decreasing to 6.0834% for 2020 and decreasing to 3.75% in 2027	4% for 2019 increasing to 6.4167% for 2019 and decreasing to 3.75% in 2027
Dental Care Cost escalation	3.75%	3.75%
Discount on accrued benefit obligations	4%	4%

13. Accumulated surplus

The accumulated surplus is made up of the following:

	2019	2018
Net financial assets		
Operational surplus	\$ 575,738	\$ 1,378,272
Non-financial assets		
Investment in tangible capital assets	88,349	84,799
Prepaid expenses	38,784	50,556
	<u>127,133</u>	<u>135,355</u>
Accumulated surplus	<u>\$ 702,871</u>	<u>\$ 1,513,627</u>

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

14. **Economic dependence**

The continuation of this organization is dependent on funding received from the Ministry of Health and Long-Term Care, the Ministry of Children, Community and Social Services and the funding municipalities.

15. **Change in accounting estimate**

The change in accounting estimate represents adjustments to the amounts set up as payable to the Province of Ontario for some settlements for the 2017 fiscal year.

16. **Schedule of tangible capital assets**

	Opening		Ending	Opening	Current	Ending	Net	Net
	Cost	Additions	Cost	Accumulated	Amortization	Accumulated	2019	2018
	<hr/>							
Furniture and equipment	\$ 887,157	\$ 37,985	\$ 925,142	\$ 820,783	\$ 27,065	\$ 847,848	\$ 77,294	\$ 66,374
Leasehold Improvements	560,770	-	560,770	542,345	7,370	549,715	11,055	18,425
	<hr/>							
	\$1,447,927	\$ 37,985	\$1,485,912	\$ 1,363,128	\$ 34,435	\$ 1,397,563	\$ 88,349	\$ 84,799
	<hr/>							

TIMISKAMING HEALTH UNIT

MANDATORY PROGRAMS

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 2,870,194	\$ 2,857,799	\$ 2,865,445
Province of Ontario – One-time	31,644	19,625	46,856
Municipalities	318,764	1,197,047	1,197,045
Offset revenue	122,467	80,000	61,247
Interest	38,777	-	28,597
Total revenues	3,381,846	4,154,471	4,199,190
EXPENDITURES			
Salaries and wages	2,323,383	2,575,827	2,268,924
Fringe benefits	629,890	654,299	608,855
Fees for service	317,074	201,000	309,752
Travel	43,417	41,245	50,080
Materials and supplies	285,077	236,125	250,697
Administrative	229,753	211,800	250,665
Rent and utilities	442,799	435,800	434,363
One-time expenses	30,848	12,750	20,152
Amortization	34,435	-	42,814
	4,336,676	4,368,846	4,236,302
Allocated to other programs	(236,366)	(214,375)	(227,965)
Total expenditures	4,100,310	4,154,471	4,008,337
Annual surplus (deficit) before provincial settlement	(718,464)	-	190,853
Provincial settlement	-	-	-
Annual surplus (deficit)	\$ (718,464)	\$ -	\$ 190,853

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

MANDATORY PROGRAMS

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
SALARIES AND WAGES			
Nursing	\$ 589,284	\$ 649,290	\$ 595,623
Administration	954,125	996,912	983,875
Inspection	215,597	212,536	256,319
Medical officer	172,502	287,725	94,371
Dental	5,636	6,812	-
Health promoter	210,502	208,871	195,889
Nutritionist	103,170	129,225	89,252
Tobacco enforcement officer	3,613	3,595	2,890
Epidemiologist	68,954	80,861	50,705
	\$ 2,323,383	\$ 2,575,827	\$ 2,268,924
FRINGE BENEFITS			
Pension	\$ 334,119	\$ 356,682	\$ 316,589
Employment insurance	37,948	38,716	36,624
EHT	46,146	50,784	44,692
WSIB	19,887	23,305	22,074
Group life and health guard	105,309	113,838	95,704
Long-term disability	47,508	70,974	37,492
Other	38,973	-	55,680
	\$ 629,890	\$ 654,299	\$ 608,855
FEES FOR SERVICE			
Legal and audit fees	\$ 36,487	\$ 27,000	\$ 20,753
Board fees	11,120	12,000	10,920
Consultants	267,434	160,000	274,730
Web fees	2,033	2,000	3,349
	\$ 317,074	\$ 201,000	\$ 309,752

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

MANDATORY PROGRAMS

SCHEDULE OF EXPENDITURES (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
TRAVEL			
Infectious diseases	\$ 8,112	\$ 10,500	\$ 12,797
Family health	9,133	13,564	13,770
Administration	13,455	11,000	14,231
Board	7,084	2,000	1,865
Chronic disease and injury prevention	4,751	3,000	4,022
Inspection	882	1,181	3,395
	<u>\$ 43,417</u>	<u>\$ 41,245</u>	<u>\$ 50,080</u>
MATERIALS AND SUPPLIES			
Family health	\$ 149,073	\$ 119,375	\$ 162,579
Infectious diseases	118,823	105,500	62,983
Chronic disease and injury prevention	12,349	4,750	12,982
Foundational standards	2,026	2,000	10,645
Inspection	2,806	4,500	1,508
	<u>\$ 285,077</u>	<u>\$ 236,125</u>	<u>\$ 250,697</u>
ADMINISTRATIVE			
Telephone	\$ 33,000	\$ 36,500	\$ 37,453
Office supplies	21,983	15,000	19,190
Staff recruitment	-	-	1,601
Professional development	37,688	34,000	35,191
Insurance	31,582	33,000	31,782
Equipment rental	21,127	19,000	23,142
Postage	3,608	3,500	4,178
Courier express	5,246	3,000	10,628
Advertising and promotion	31,708	27,500	46,813
Association fees	10,921	11,000	14,538
Website/database maintenance	12,761	16,000	12,455
Bank charges	3,136	2,800	2,797
Miscellaneous	16,993	10,500	10,897
	<u>\$ 229,753</u>	<u>\$ 211,800</u>	<u>\$ 250,665</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

MANDATORY PROGRAMS

SCHEDULE OF EXPENDITURES (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
RENT AND UTILITIES			
NEW LISKEARD			
Rent	\$ 216,446	\$ 203,600	\$ 213,944
Utilities	39,976	44,000	42,547
Janitor and supplies	46,703	43,000	44,163
Office maintenance	4,939	5,000	3,792
	<u>308,064</u>	<u>295,600</u>	<u>304,446</u>
KIRKLAND LAKE			
Rent	81,816	85,000	79,862
Utilities	18,217	23,000	20,393
Janitor and supplies	23,588	20,000	19,403
Office maintenance	2,989	4,000	1,847
	<u>126,610</u>	<u>132,000</u>	<u>121,505</u>
ENGLEHART			
Rent	5,617	5,600	5,617
Janitor and supplies	2,076	2,100	2,185
Office maintenance	432	500	610
	<u>8,125</u>	<u>8,200</u>	<u>8,412</u>
	<u>\$ 442,799</u>	<u>\$ 435,800</u>	<u>\$ 434,363</u>
ALLOCATED COSTS			
March year-end programs	\$ 84,259	\$ 54,738	\$ 13,341
Land Control Program	8,603	8,603	12,028
Other programs	143,504	151,034	202,596
	<u>\$ 236,366</u>	<u>\$ 214,375</u>	<u>\$ 227,965</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

MANDATORY PROGRAMS

SCHEDULE OF MUNICIPAL REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
Temiskaming Shores	\$ 121,128	\$ 421,078
Kirkland Lake	93,348	321,959
Englehart	17,509	61,217
Armstrong	13,201	49,393
Cobalt	13,592	46,151
Temagami	10,633	36,043
Larder Lake	9,313	29,702
McGarry	8,022	28,272
Coleman	7,688	24,839
Charlton/Dack	7,123	24,124
Harley	6,731	21,883
Harris	6,397	21,311
Evanturel	5,469	19,071
Hudson	5,556	18,880
James	4,889	17,258
Casey	5,063	17,021
Latchford	4,221	14,732
Kerns	3,728	14,303
Matachewan	3,931	13,731
Chamberlain	3,878	13,636
Hilliard	2,553	9,392
Gauthier	1,567	4,672
Brethour	1,262	4,053
Thornloe	928	3,290
	\$ 357,730	\$ 1,236,011

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

VECTOR-BORNE DISEASE PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 83,500	\$ 83,500	\$ 83,500
Municipalities	27,833	27,833	27,833
Total revenues	<u>111,333</u>	<u>111,333</u>	<u>111,333</u>
EXPENDITURES			
Salaries and wages	67,379	66,817	59,033
Fringe benefits	17,425	18,039	14,983
Fees for service	750	750	750
Travel	3,311	5,522	7,033
Materials and supplies	4,430	7,300	9,336
Administrative	12,904	12,905	19,244
Total expenditures	<u>106,199</u>	<u>111,333</u>	<u>110,379</u>
Annual surplus before provincial settlement	5,134	-	954
Provincial settlement	3,851	-	716
Annual surplus	<u>\$ 1,283</u>	<u>\$ -</u>	<u>\$ 238</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT
SMALL DRINKING WATER SYSTEMS PROGRAM
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 33,400	\$ 33,400	\$ 33,396
Municipalities	11,133	11,133	11,133
Total revenues	<u>44,533</u>	<u>44,533</u>	<u>44,529</u>
EXPENDITURES			
Salaries and wages	28,163	25,634	20,932
Fringe benefits	6,253	6,920	3,283
Fees for service	-	-	460
Travel	3,593	5,677	8,103
Administrative	4,707	6,302	8,684
Total expenditures	<u>42,716</u>	<u>44,533</u>	<u>41,462</u>
Annual surplus before provincial settlement	1,817	-	3,067
Provincial settlement	1,363	-	2,300
Annual surplus	<u>\$ 454</u>	<u>\$ -</u>	<u>\$ 767</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT
HEALTHY BABIES/HEALTHY CHILDREN PROGRAM
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ -	\$ -	\$ 601,973
EXPENDITURES			
Salaries and wages	-	-	471,707
Fringe benefits	-	-	113,993
Fees for service	-	-	5,884
Travel	-	-	11,093
Materials and supplies	-	-	6,140
Administrative	-	-	4,936
Total expenditures	<u>-</u>	<u>-</u>	<u>613,753</u>
Annual surplus (deficit) before provincial settlement	-	-	(11,780)
Provincial settlement	-	-	-
Annual surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,780)</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

EARLY YEARS AND CHILDCARE SERVICE PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 72,760	\$ 102,720	\$ 102,720
EXPENDITURES			
Salaries and wages	75,947	66,443	108,551
Fringe benefits	11,378	18,444	19,504
Fees for service	-	-	750
Travel	-	125	-
Materials and supplies	66	9,105	1,059
Administrative	1,075	8,603	9,872
Total expenditures	88,466	102,720	139,736
Annual surplus (deficit) before provincial settlement	(15,706)	-	(37,016)
Provincial settlement	59,920	-	-
Annual surplus (deficit)	\$ (75,626)	\$ -	\$ (37,016)

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

UNORGANIZED TERRITORIES PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 114,800	\$ 114,800	\$ 114,800
EXPENDITURES			
Salaries and wages	75,585	75,140	70,981
Fringe benefits	18,671	17,857	17,819
Fees for service	-	-	1,000
Travel	8,536	6,747	3,494
Administrative	15,056	15,056	22,853
Total expenditures	<u>117,848</u>	<u>114,800</u>	<u>116,147</u>
Annual surplus (deficit) before provincial settlement	(3,048)	-	(1,347)
Provincial settlement	-	-	-
Annual surplus (deficit)	<u>\$ (3,048)</u>	<u>\$ -</u>	<u>\$ (1,347)</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT
ONTARIO SENIORS DENTAL CARE PROGRAM
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 75,329	\$ 74,700	\$ -
EXPENDITURES			
Salaries and wages	40,047	28,700	-
Fringe benefits	5,194	3,000	-
Materials and supplies	25,187	20,000	-
Administrative	4,901	23,000	-
Total expenditures	<u>75,329</u>	<u>74,700</u>	-
Annual surplus before provincial settlement	-	-	-
Provincial settlement	-	-	-
Annual surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

INFECTION CONTROL PROGRAMS

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Nurse Actual 2019	Infectious Diseases Actual 2019	Actual Total 2019	Budget 2019	Actual Total 2018
REVENUES					
Province of Ontario	\$ 90,100	\$ 111,200	\$ 201,300	\$ 201,300	\$ 201,300
EXPENDITURES					
Salaries and wages	77,048	84,515	161,563	154,072	138,863
Fringe benefits	18,643	11,289	29,932	30,591	26,562
Fees for service	-	-	-	-	1,000
Travel	-	729	729	720	1,366
Materials and supplies	-	716	716	1,578	1,357
Administrative	-	14,339	14,339	14,339	20,448
Total expenditures	95,691	111,588	207,279	201,300	189,596
Annual surplus (deficit) before provincial settlement	(5,591)	(388)	(5,979)	-	11,704
Provincial settlement	-	-	-	-	11,704
Annual surplus (deficit)	\$ (5,591)	\$ (388)	\$ (5,979)	\$ -	\$ -

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

SMOKE FREE ONTARIO PROGRAMS

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 302,800	\$ 302,800	\$ 302,800
EXPENDITURES			
Salaries and wages	178,040	208,068	210,080
Fringe benefits	43,164	52,122	51,212
Fees for service	7,236	5,000	22,809
Travel	7,820	5,180	11,095
Materials and supplies	1,398	500	9,848
Administrative	30,836	31,930	31,359
Total expenditures	<u>268,494</u>	<u>302,800</u>	<u>336,403</u>
Annual surplus (deficit) before provincial settlement	34,306	-	(33,603)
Provincial settlement	<u>34,306</u>	-	-
Annual surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,603)</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT
CHIEF NURSING OFFICER PROGRAM
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 121,500	\$ 121,500	\$ 121,500
EXPENDITURES			
Salaries and wages	95,571	97,855	95,211
Fringe benefits	22,365	23,645	22,542
Total expenditures	<u>117,936</u>	<u>121,500</u>	<u>117,753</u>
Annual surplus before provincial settlement	3,564	-	3,747
Provincial settlement	<u>3,564</u>	-	<u>3,747</u>
Annual surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

PANORAMA PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario – One-time	\$ -	\$ -	\$ 49,684
Sundry revenue	-	-	7,548
	-	-	<u>57,232</u>
EXPENDITURES			
Salaries and wages	-	-	10,682
Fringe benefits	-	-	2,810
Fees for service	-	-	7,548
Travel	-	-	1,371
	-	-	<u>22,411</u>
Annual surplus before provincial settlement	-	-	34,821
Provincial settlement	-	-	<u>34,821</u>
Annual surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT
HEALTHY SMILES ONTARIO PROGRAM
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 344,800	\$ 344,800	\$ 344,800
EXPENDITURES			
Salaries and wages	183,842	220,902	202,155
Fringe benefits	50,518	59,702	57,208
Travel	6,610	6,745	4,506
Materials and supplies	26,670	4,516	9,180
Administrative	50,770	52,935	79,090
Total expenditures	318,410	344,800	352,139
Annual surplus (deficit) before provincial settlement	26,390	-	(7,339)
Provincial settlement	26,390	-	-
Annual surplus (deficit)	\$ -	\$ -	\$ (7,339)

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

SOCIAL DETERMINANTS OF HEALTH NURSES PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 180,500	\$ 180,500	\$ 180,500
EXPENDITURES			
Salaries and wages	134,289	142,091	121,136
Fringe benefits	27,889	38,409	29,659
Total expenditures	<u>162,178</u>	<u>180,500</u>	<u>150,795</u>
Annual surplus before provincial settlement	18,322	-	29,705
Provincial settlement	<u>18,322</u>	-	<u>29,705</u>
Annual surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

ENHANCED FOOD SAFETY AND ENHANCED SAFE WATER PROGRAMS

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Enhanced Food Safety Actual 2019	Enhanced Safe Water Actual 2019	Actual Total 2019	Budget 2019	Actual Total 2018
REVENUES					
Province of Ontario	\$ 25,000	\$ 15,500	\$ 40,500	\$ 40,500	\$ 40,500
EXPENDITURES					
Salaries and wages	18,080	-	18,080	28,200	15,687
Fringe benefits	4,172	-	4,172	7,714	1,545
Travel	1,899	3,071	4,970	3,586	2,333
Materials and supplies	58	3,333	3,391	1,000	9,477
Administrative	47	-	47	-	8,909
Total expenditures	24,256	6,404	30,660	40,500	37,951
Annual surplus before provincial settlement	744	9,096	9,840	-	2,549
Provincial settlement	744	9,096	9,840	-	3,428
Annual surplus (deficit)	\$ -	\$ -	\$ -	\$ -	\$ (879)

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

DIABETES PREVENTION PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 150,000	\$ 150,000	\$ 150,000
EXPENDITURES			
Salaries and wages	93,055	90,356	85,916
Fringe benefits	22,740	24,061	21,950
Fees for service	6,298	11,083	15,938
Travel	1,507	1,000	1,223
Materials and supplies	7,106	5,000	6,986
Administrative	17,978	18,500	17,704
Total expenditures	148,684	150,000	149,717
Annual surplus before provincial settlement	1,316	-	283
Provincial settlement	1,316	-	283
Annual surplus	\$ -	\$ -	\$ -

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT
NEEDLE EXCHANGE INITIATIVE PROGRAM
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 15,000	\$ 15,000	\$ 15,000
EXPENDITURES			
Materials and supplies	12,616	15,000	10,944
Annual surplus before provincial settlement	2,384	-	4,056
Provincial settlement	2,384	-	4,056
Annual surplus	\$ -	\$ -	\$ -

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

NEEDLE EXCHANGE INITIATIVE PROGRAM – ONE-TIME

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario – One-time	\$ -	\$ -	\$ 1,078
EXPENDITURES			
Materials and supplies	-	-	1,055
Annual surplus before provincial settlement	-	-	23
Provincial settlement	-	-	23
Annual surplus	\$ -	\$ -	\$ -

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT
NORTHERN FRUIT AND VEGETABLE PROGRAM
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 38,325	\$ 38,325	\$ -
Province of Ontario – One-time	32,082	12,875	60,299
Sundry revenue	9,994	9,993	-
Total revenues	80,401	61,193	60,299
EXPENDITURES			
Supplies and wages	3,627	12,784	30,778
Fringe benefits	920	3,584	2,803
Travel	-	-	95
Materials and supplies	84,503	31,964	23,763
Administrative	717	2,868	599
Total expenditures	89,767	51,200	58,038
Annual surplus (deficit) before provincial settlement	(9,366)	9,993	2,261
Provincial settlement	9	-	2,261
Annual surplus (deficit)	\$ (9,375)	\$ 9,993	\$ -

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

HEALTHY MENU CHOICES PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario – One-time	\$ -	\$ -	\$ 1,667
EXPENDITURES			
Salaries and wages	-	-	1,093
Fringe benefits	-	-	250
Total expenditures	-	-	1,343
Annual surplus before provincial settlement	-	-	324
Provincial settlement	-	-	324
Annual surplus	\$ -	\$ -	\$ -

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT
HARM REDUCTION PROGRAM
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario	\$ 150,000	\$ 150,000	\$ 150,000
EXPENDITURES			
Salaries and wages	116,197	117,826	108,740
Fringe benefits	28,374	28,337	22,153
Fee for service	2,004	2,837	602
Travel	917	1,000	647
Materials and supplies	15	-	-
Total expenditures	<u>147,507</u>	<u>150,000</u>	<u>132,142</u>
Annual surplus before provincial settlement	2,493	-	17,858
Provincial settlement	2,493	-	17,858
Annual surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT

SMOKE-FREE ONTARIO EXPANDED SMOKING CESSATION PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Province of Ontario – One-Time	\$ -	\$ -	\$ 10,712
EXPENDITURES			
Fees for service	-	-	20,658
Annual surplus (deficit) before provincial settlement	-	-	(9,946)
Provincial settlement	-	-	-
Annual surplus (deficit)	\$ -	\$ -	\$ (9,946)

The accompanying notes form an integral part of these financial statements.

TIMISKAMING HEALTH UNIT
ONTARIO ACTIVE SCHOOL TRAVEL PROGRAM
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Actual 2019	Budget 2019	Actual 2018
REVENUES			
Sundry revenue	\$ 21,800	\$ 35,000	\$ -
EXPENDITURES			
Salaries and wages	19,044	29,167	-
Fringe benefits	1,882	3,728	-
Travel	538	356	-
Materials and supplies	336	875	-
Administrative	-	875	-
Total expenditures	21,800	35,001	-
Annual surplus (deficit) before provincial settlement	-	(1)	-
Provincial settlement	-	-	-
Annual surplus (deficit)	\$ -	\$ (1)	\$ -

The accompanying notes form an integral part of these financial statements.



REPORT TO COUNCIL

Meeting Date: 7/14/2020	Report Number: 2020-CAO-005
Presented by: Richard McGee	Department: Administration

REPORT TITLE

Town of Kirkland Lake –Organizational Structure and Training Update

RECOMMENDATION(S)

BE IT RESOLVED THAT Report Number 2020-CAO-005 entitled “**Town of Kirkland Lake – Organizational Structure and Training Update**”, be received.

BACKGROUND

The Corporation of the Town of Kirkland Lake has evolved over the years as a municipality utilizing various organizational structures with varying focuses. Council investigated various mechanisms over the past 18 months to review the Organizational Structure, to better align staff resources with the Strategic Plan and Budget allocations, in an effort to better serve the needs of the residents of the Town and to position the Town for the challenges and opportunities in the future. This report is presented to Council to recognize the changes that have been implemented and the structure that the Town will use as its base structure moving forward, recognizing the world is changing rapidly and the Town’s Organizational Structure and Operations must also change to meet the service needs of the community on a regular basis. Therefore, the Organizational Structure will continue to evolve in the coming years and will continually be modified and updated to meet the needs and demands of municipal services in the future.

RATIONALE

Since joining the Town of Kirkland Lake on March 2, 2020, the Chief Administrative Officer has witnessed a strong commitment and enthusiasm from staff to perform at a high level. It was evident the key ingredients missing were corporate alignment of

people and resources, an uninhibited willingness to work together and a strategic approach with a focus on execution that had been underdeveloped in the past.

While staff hit the ground running at the beginning of March, the COVID-19 Pandemic had other ideas to take attention away from Kirkland Lake's efforts toward continual improvement, requiring staff time and corporate resources to be diverted to this extraordinary pandemic event, and away from the Town's corporate priorities. Regardless, and in spite of the COVID-19 Pandemic, staff have performed extremely well and delivered the following, plus much more over the past 120 days:

- Weekly Council and All Staff Information Updates,
- Daily COVID-19 Updates for Council, staff and residents,
- Enhanced internal and external communications,
- More informative and comprehensive staff reporting to Council,
- Quarterly financial information reporting to Council,
- Quarterly Key Performance Indicators reporting to Council,
- 2020 Capital and Operating Budget approved by Council,
- New Collective Bargaining processes and Mandate approvals by Council,
- Council Strategic Plan presented and approved by Council,
- Procedural By-law amended to permit electronic meetings and reconcile Agenda headings,
- Agenda format brought into compliance with Open Meeting requirements,
- Heritage North Service Delivery Review completed,
- Primary Service Delivery Review initiated,
- Public Works operations improved at seasons end,
- Recruited and filled numerous staff vacancies, and
- A plan to reduce Banked and Vacation time liabilities in 2020, with extenuating extensions into 2021 was initiated.

The magnitude and volume of work that staff has undertaken and completed since the beginning of March is impressive, especially when you consider that the COVID-19 Pandemic has consumed all of our lives during this time.

With this background information provided for reference, this Report will now focus on the requirements related to staff training and the Corporate Organizational Structure.

EDUCATION, TRAINING AND PERSONAL DEVELOPMENT

All personnel employed with the Town of Kirkland Lake are required to achieve a minimum standard of training to retain employment. Core training is the minimum

expectation of training required to maintain this required standard in accordance with relevant legislation. The Town utilizes HRDownloads (corporate), SURGE learning (TPR healthcare specific supplied at no cost as part of the pharmacy contract) and the Stillwater Training Program for the in-house training of full-time and volunteer firefighters as the training and data collection and retention platforms to complete training requirements and maintain training records. These platforms are widely used and accepted by private and public sector employers. While it would be preferred to combine efforts into one platform, the specialized features of SURGE and Stillwater for healthcare and Fire along with HRDownloads for legislative specific requirements make all three platforms valuable to ensure compliance with all relevant practices and legislation. The following are examples of Core Training required by staff:

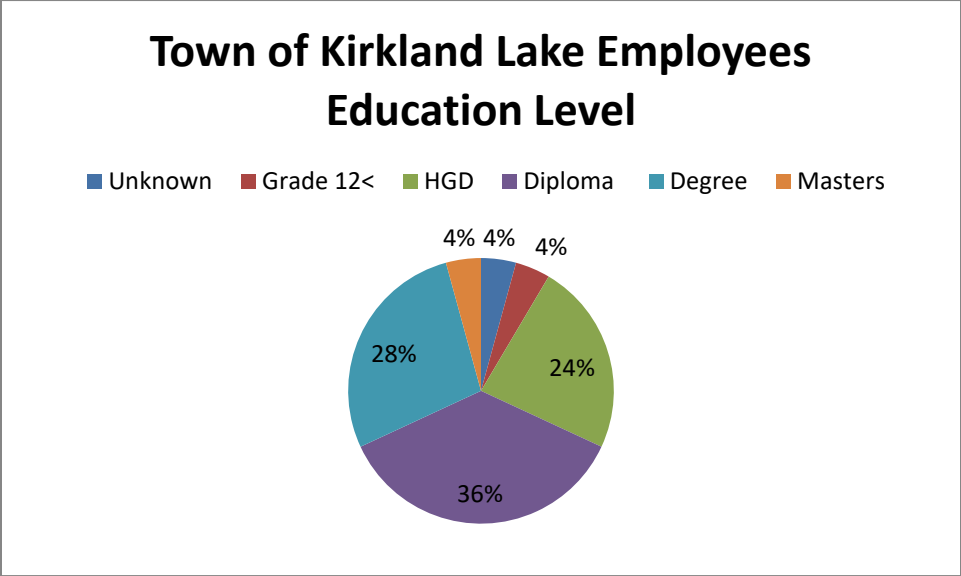
- WHMIS (Annual)
- Accessibility Standards – Information
- AODA Customer Service Training
- OH&S Awareness Training
- Safe Lifting Training
- Slips, Trips and Falls Awareness Training
- Supervisor's Health & Safety Awareness 5 Steps
- Understanding Human Rights Training
- Worker's Health & Safety Awareness 4 Steps
- Workplace Violence and Harassment Training
- Young Worker Health & Safety

In addition to these Core Training programs, there are a number of position specific training programs that must be completed, depending upon the department to which the employee is assigned, such as, but not limited to:

- Incivility in the Workplace
- Managing in the Workplace
- Confined Workspace Training
- Proper Use of Ladders
- Traffic Control
- Heavy Equipment Training
- Licencing Qualifications
- Resident Rights and Abuse
- Safe Use of Resident Lifts
- Infection Control Practices
- Conflict Resolution
- Lockout and Tag-out Procedures

For Members interested in the inventory of training available to the Town of Kirkland Lake, Attachment 1 to this report lists the courses that are available and relevant to Ontario workplaces for staff training through the HRDownloads training platform. Attachment 2 to this report lists the courses that are available and relevant to Ontario workplaces for staff training through the SURGE Learning platform.

In an effort to determine the education, training and personal development needs of the organization, it was important to establish a baseline relating to education and qualifications. An inventory was completed to establish the baseline to better understand the education, experience and skillsets of current employees. While there is always room for improvement, training has occurred in the past and there is a commitment on behalf of management to ensure adequate training remains a priority. The high level results collected through the education inventory are illustrated in the following chart:

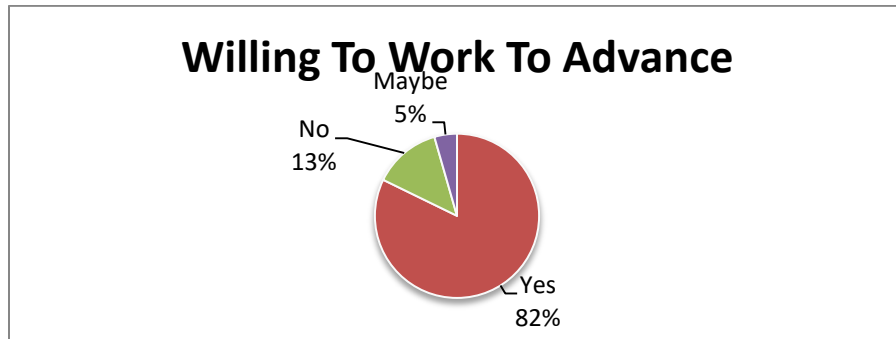


As you will see from the chart above, of the 45 employees in the sample group surveyed, Kirkland Lake employees are well educated. More than 68% of the current employees have post-secondary education. While this education may not always be in the field of study that the employee works in daily, the theoretical knowledge gained may be adapted and utilized by the employee to maximize proficiency in their current role.

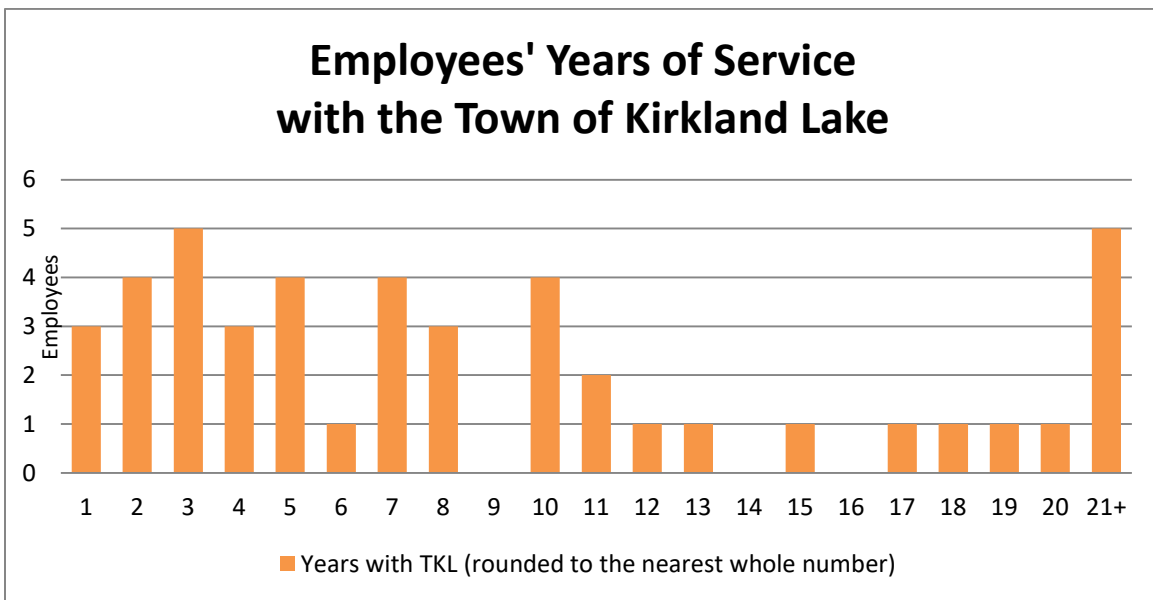
As well, while it is not always possible to recruit qualified and experienced municipal personnel to Kirkland Lake, it is possible to mentor and nurture existing personnel. These personnel are committed to the organization and want to ascend through the

organizational chart and contribute at higher levels. There is a strong desire on the part of current employees to strive to achieve greater heights. In fact, 82% of current employees surveyed indicated they would like to advance in the organization.

Even more encouraging, are the results of the next chart that clearly indicate employees who are interested in advancement are also willing to work toward advancement. It is impressive that all of the employees who wish to advance are willing to make the effort to do so.

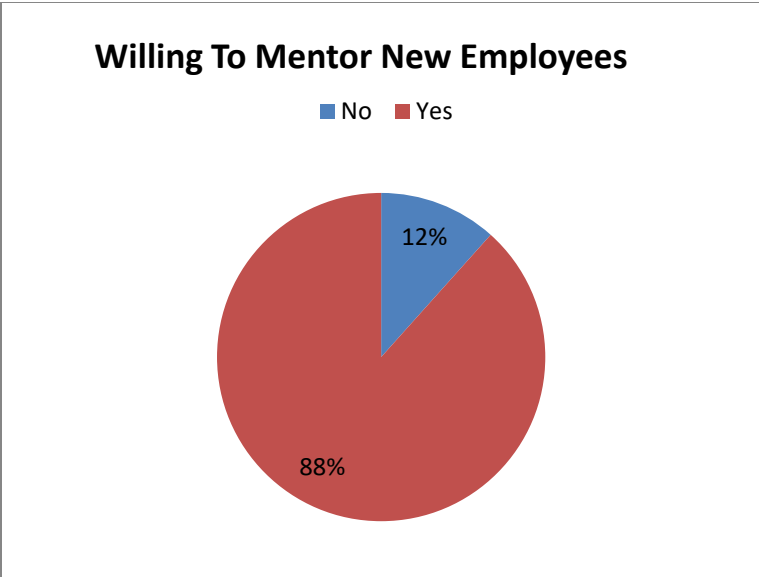


While it may be concerning that 18% of current employees who were surveyed stated they have little or no interest in advancement within the organization, it is important to remember that many employees are nearing the end of their career and may be quite content to complete their careers in the current position they hold. The following graph analyzes the number of years current employees have been employed with the Town of Kirkland Lake and may provide context to the previous chart.



The previous graph illustrates that the Town of Kirkland Lake has a relatively young workforce with the majority of employees serving with the Town less than 10 years. Employees with more than 21 years of service account for 11.1% of the workforce, indicating that while the Town will be required to recruit 11.1% of its workforce over the next 10 years, it is not the focus for where the human resource effort must be invested.

The human resource investment needs to be made in mentoring, coaching and developing the existing workforce into high performing assets focused upon an aligned strategic direction and an insatiable urge and commitment to working together to achieve unimagined successes in support of making Kirkland Lake the best that it can be. The following chart illustrates that the current workforce has a strong desire to mentor other employees within the organization and transfer knowledge and experience to other employees. In fact, 88% of current employees state they are committed to mentoring new employees, demonstrating an increase of 6% above the number of employees that wish to advance within the organization and showing that 33% of the current employees who do not wish to advance within the organization maintain a strong commitment to sharing knowledge and experience to make the organization stronger and more proficient.



In addition to the Core Training and role specific training requirements, the Town of Kirkland Lake must make progress on the Personal Development of existing employees within the organization. For example, the Town only has two employees trained and credentialed by the Association of Municipal Clerks and Treasurers of Ontario. Opportunities will be offered for employees to enroll in the Municipal Administration Program to complete this four module training program to achieve accreditation. The complete accreditation program may be completed over a 24-month training period.

As well, management training and performance management training will be introduced to assist management personnel with techniques and strategies to assist them with daily work responsibilities. In addition, staff are pursuing a relationship with Northern College to provide Management Development Training for management personnel and employees determined to be future leaders with the Town of Kirkland Lake. The training modules reviewed and accepted from Northern College include and training will begin in September of 2020:

- Introduction Supervisory Skills Training - 2-day Course Outline
- Effective Time Management Skills for Today's Leaders
- Effective Decision-Making Skills
- Communication Management
- Conflict Management and Resolution
- Introduction to Project Management
- Critical and Transformational Thinking
- Advanced Supervisory Management

The motivation behind subscribing to classroom learning is to encourage teambuilding and promote working together across departmental boundaries. Training will be conducted electronically and in person where and when permitted by the COVID-19 Pandemic restrictions. The funds to complete this training are included in the 2020 Operating Budget.

As a comparison, the actual dollars spent on training in 2019 are as follows:

MAYOR	7,047.43
COUNCIL	294.27
ADMINISTRATION	3,685.25
TREASURY	1,016.59
HEALTH & SAFETY	232.97
FIRE	11,661.84
BUILDING	100.52
ROADS	2,067.83
ENGINEERING	3,493.10
GARBAGE COLLECTION	25.63
TPR	824.56
PARKS & RECREATION	5,912.12
LIBRARY	2,118.65
MUSEUM	764.65
HERITAGE NORTH	87.56
PLANNING	2,400.03

ECONOMIC DEVELOPMENT	80.00
WATERWORKS	3,245.38
WASTEWATER	780.39
TOTAL FOR 2019	45,838.77

The recommended five-year training budget is proposed as follows and will be updated on an annual basis as part of the annual budget process:

Cost of Training All Departments 2020-2024					
Department	2020	2021	2022	2023	2024
General Training	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Public Works	5,508.98	6,000.00	6,000.00	6,000.00	6,000.00
Community Services	8,575.00	9,950.00	9,900.00	9,950.00	9,950.00
Corporate Services	7,712.20	8,000.00	8,000.00	5,000.00	5,000.00
Development Service	10,000.00	10,000.00	5,000.00	4,000.00	3,000.00
Fire Services	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
TPR	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Total Cost	\$ 57,796.18	\$ 59,950.00	\$ 54,900.00	\$ 50,950.00	\$ 49,950.00

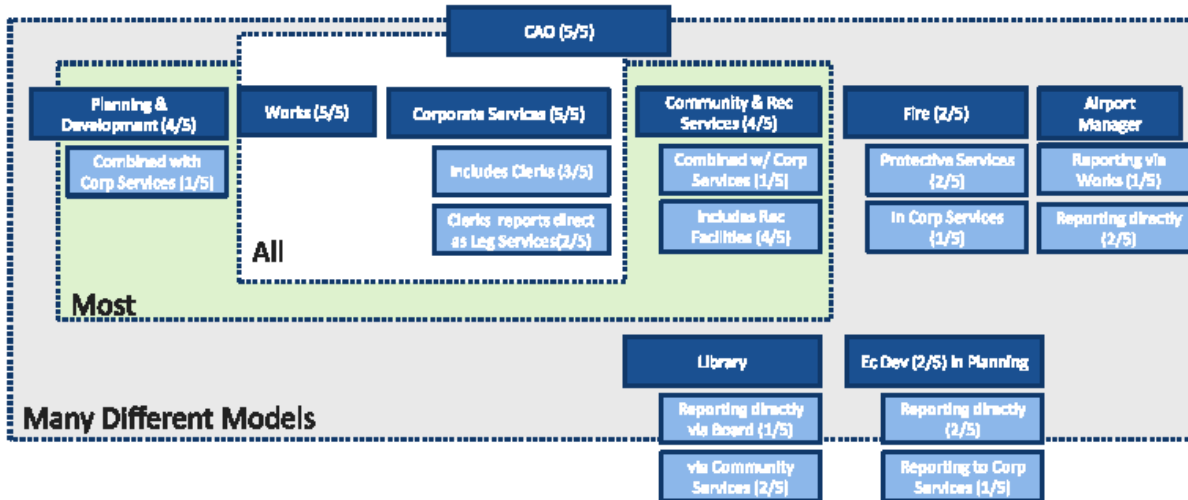
SUCCESSION PLANNING

From the work that was completed prior to March of 2020, the projected retirements and recruitment requirements over the next five years are manageable and will in many cases be filled by internal candidates where possible. Kirkland Lake is well positioned from a Corporate human resources perspective moving forward.

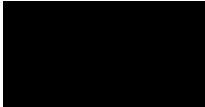
ORGANIZATIONAL STRUCTURE

The Town of Kirkland Lake has utilized many organizational structures over the years. The current structure arguably has evolved as a result of tradition and availability of personnel. The following analysis was completed by StrategyCorp of various structures in place by municipalities in proximity to Kirkland Lake. The five municipalities analyzed were Kapuskasing, Cochrane, Hearst, Fort Francis and Temiskaming Shores. While no structure is perfect, the analysis by StrategyCorp clearly reveals the common municipal organizational model is consistent with Corporate Services, Community Services, Development Services, Fire Services, Health Services and Transportation Services or Public Works Services. This model also aligns with the vast majority of municipal governments in Ontario and the financial framework for managing and reporting on the performance of municipal services. This model may also be reviewed at Attachment 3 to this report.

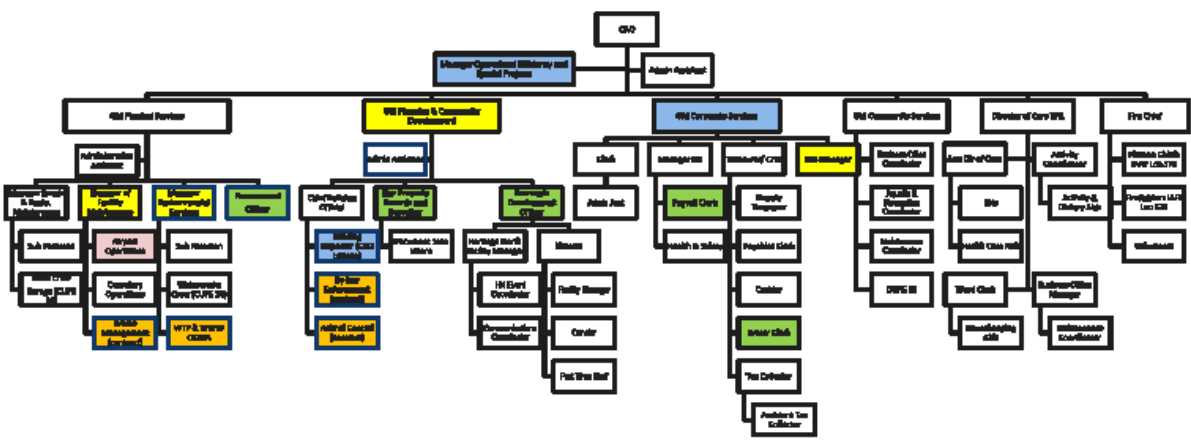
Summary: Lessons from other comparable municipal structures



The following Organizational Structure presented by StrategyCorp begins to normalize and rationalize the Town of Kirkland Lake Organizational Structure. This structure has different names for various positions, but with everything considered, the base format is consistent with generally accepted best practices throughout the industry. General improvements are recommended to the proposed StrategyCorp model to more accurately reflect Kirkland Lake's existing circumstances in addition to modifications to align the Town of Kirkland Lake for improvement and success. This model may be reviewed in greater detail at Attachment 4 to this report.



Summary of Recommended Changes



Taking into consideration the analysis and recommended organizational structure presented by StrategyCorp and given the needs and capacity of the Town of Kirkland Lake, staff proposes the following organizational structure for the Corporation of the Town of Kirkland Lake as the baseline structure going forward. Attachment 5 to this report provides the detailed organizational structure for the municipality and each department. The new Organizational Structure for the Town of Kirkland Lake will result in savings to the Corporation of \$242,000.00 and human resource alignment to achieve Corporate Strategic Priorities as presented in Council's Strategic Plan.

COMMUNITY SERVICES

GREENSPACE MAINTENANCE AND CEMETERY

Prior to the May 5, 2020 Regular Meeting of Council, three different departments and 4 different divisions within these departments in the Town of Kirkland Lake were responsible for greenspace maintenance and grass cutting.

The Community Services Department has assumed responsibility for the maintenance and landscaping responsibilities for all greenspace owned by the Town. This action has combined all greenspace maintenance and grass cutting activities into one department to maximize and focus the use of equipment and human resources.

FACILITIES

Currently, the Town of Kirkland Lake has four different departments engaged in facility management, maintenance and operations activities. Facilities have been amalgamated into one management and maintenance department with a strong focus on maintenance and management capability. This responsibility rests with the Community Services Department, already very competent in this area with cooperation to coordinate with Teck Pioneer Residence personnel and maintenance resources at that facility. This step will align processes, procurement, asset management capabilities and continuity of facility services across the organization.

CORPORATE SERVICES

The newly created Corporate Services Department will require a Director of Corporate Services who will also hold the statutory duties as Treasurer. This will be a modified position. There will be no new positions added.

DEVELOPMENT SERVICES

The Development Services Department already has approval to add one additional Building Inspector / Property Standards Officer to the department.

FIRE SERVICES

The Fire Service recommends the addition of a Deputy Chief to assist with the management and administration of personnel and programs within the Department. If staff is successful through negotiations or arbitration with the Professional Firefighters

Association to reduce the complement of full-time firefighters from 10 to 8, the Town will be in a position to add a Deputy Chief position. Staff recommend that the recruitment of a Deputy Fire Chief be conditional upon the reduction of full-time firefighters from 10 to 8.

PUBLIC WORKS

The Public Works Department will see the greatest transformation. Two new positions are recommended to address many of the gaps that exist in this department. A Manager of Operations will become responsible for the day to day operations of the Roads Department and maintenance equipment. This position will also have an engineering background, capable of planning, managing and executing large road projects. Analysis will be undertaken during the Service Delivery Review to analyze the costs and benefits of improving the fleet and equipment versus the need for more mechanical expertise. In addition, the Service Delivery Review will specifically analyze Kirkland Lake's fleet and rationalize the need for existing equipment and the replacement rationale and schedule to maximize lifecycle and cost benefit performance.

As you will see, the Roads Division within the Public Works Department is now balanced and capable of being interchanged to be more responsive and accountable with the execution of the Division's daily duties. In addition, the Service Delivery Review will analyze the Winter Maintenance Program to identify process improvements and the maximization of equipment and human resources.

The Water and Wastewater Division within the Public Works Department will be substantially reduced over time. This model is fragmented from the Water and Wastewater Plant Operations and needs to be reconciled.

The Airport Supervisor and 1.5 FTE Airport Attendant positions will be eliminated in favour of a Cardlock Fuel System that pilots may operate without assistance, 24 hours per day, seven days per week. This Capital Project will be presented as part of the Proposed 2021 Capital Budget and will be supported by a strong business case featuring increased fuel sales and the reduction of full-time salaries. The Development Services Department will provide daily inspection and oversight of the Airport facility and the Public Works Department will be responsible for the overall maintenance of the runway with the Community Services Department assuming responsibility for the greenspace at the Airport. A complete team effort will be encouraged and facilitated at the Airport Facility.

Overall, the Public Works Department will be reduced by 7.5 employees. However, staff do not see this evolution happening quickly. With a dramatic change such as this, it must happen over a period of time to ensure the reduction is not too deep nor leaves gaps that were unknown. As well, implementing this change slowly will allow the Town to be able to retain personnel that the Town has invested in, transferring these employees to other departments.

TECK PIONEER RESIDENCE

There are no changes recommended to the Organizational Structure at Teck Pioneer Residence. The Long Term Care sector is highly regulated and the positions identified are necessary. Areas for process improvement and cost savings will be investigated in the future.

SUMMARY

The proposed restructuring recommends the addition of 6 new positions, the modification of 9 positions and the elimination of 15.0 positions identified as surplus, excluding the two full-time firefighter positions. The Performance Improvement Coordinator will possess internal audit responsibilities along with Lean Six Sigma performance improvement abilities to find efficiencies, cost savings and cost avoidance through process improvement. As well, the proposed structure will make the Town of Kirkland Lake leaner and more responsive when providing core services to the residents of Kirkland Lake. With the proposed reduction of personnel, staff recommend that cost savings be retained in a human resources reserve on an annual basis to fund collective bargaining, human resources stabilization and available funds when human resources are required for a specific time limited period or additional resources are required to maintain levels of service.

OTHER ALTERNATIVES CONSIDERED

Staff has commenced the implementation of the training and Organizational Structure changes provided for in this report as previously directed by Council. Impacted employees and labour groups have been provided with this information prior to public release and understand that these changes will occur over a period of time. While the recommended education, training, personal development and organizational structure presented in this report will evolve over the next five-year period, staff are confident the

recommended modifications are an excellent beginning to position the Town of Kirkland Lake in a stronger position.

In addition, staff views this first step as a critical step in aligning the organization to ensure the proper people and departments are performing the tasks most suited to their collective strengths. Going forward, effort and resources will be invested in making the operations efficient and effective.

For example, Management personnel are spread throughout Kirkland Lake promoting isolation, fragmentation, silos and misalignment. The Service Delivery Review will include a cost benefit analysis to bring the Town under one roof to improve efficiency, effectiveness, communication and alignment. This analysis will investigate existing Kirkland Lake spaces to determine if existing office infrastructure will accommodate the Town of Kirkland Lake administrative functions.

FINANCIAL CONSIDERATIONS

The proposed changes and adjustments to the Organizational Structure of the Town of Kirkland Lake are included within the 2020 Consolidated Budget. A detailed financial analysis of the proposed changes presented at the June 16, 2020 Regular Meeting of Council determined a net expenditure savings of \$242,000.00 resulting from the new organizational structure.

RELATIONSHIP TO STRATEGIC PRIORITIES

Council has stressed the importance of achieving efficiencies and implementing changes to better serve the residents of Kirkland Lake. The proposed training, education, personal development and reorganization is consistent with this objective and will result in an efficient and effective organization that is corporately aligned to achieve cost savings and capacity resulting in resource redeployment and improved service delivery.

ACCESSIBILITY CONSIDERATIONS

Not applicable.

CONSULTATIONS

Bonnie Sackrider, Director of Community Services
Michel Riberdy, Director of Public Works
Keith Gorman, Director of Corporate Services

Ashley Bilodeau, Director of Development Services
Rob Adair, Fire Chief
Nancy Loach, Executive Director – Long Term Care

ATTACHMENTS

- Attachment 1 – HRDownloads Course Inventory
- Attachment 2 – SURGE Course Inventory
- Attachment 3 – StrategyCorp Municipal Structure Comparison
- Attachment 4 – StrategyCorp Proposed Organizational Structure
- Attachment 5 – Proposed Organizational Chart

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ATTACHMENT 1

HRDownloads Course Catalogue

AODA Customer Service Training (Condensed)
AODA Customer Service Training (Refresher)
Improving Workplace Accessibility - General Training for Leaders in All Jurisdictions
Integrated Accessibility Standards - Design of Public Spaces (Built Environment)
Integrated Accessibility Standards - Information/Communication and Employment Standards Training
Integrated Accessibility Standards - Transportation Standard Training
Understanding Human Rights Training (AODA Edition)
Customer Service
Canada's Anti-Spam Legislation (CASL) - An Overview
Canada's Anti-Spam Legislation (CASL) Training for Employees
Customer Service Excellence Training
Defusing Hostile Customers Training
Fundraising Basics Training for Not-for-Profits
Introductory Retail Sales Training for Salespeople
Keep it Professional - Telephone, Email and Social Media Etiquette Training
Health and Safety
Globally Harmonized System of Classification and Labeling of Chemicals Training
WHMIS 1988 Training
WHMIS Refresher 1988 Training
A Guide to Workplace Incident Investigations
Asbestos Awareness Safety Training for Workers in All Jurisdictions
Cold Stress - A Guide to Working Safely in Cold Environments Training
Confined Spaces Awareness Training for Workers
Due Diligence - Implementing and Managing Occupational Health and Safety
Duty of Persons Directing Work (Bill C-45) – Training for Leaders
Evacuation Plans & Procedures Training
Fire Safety Training
Forklift Safety Training
Health and Safety Committee Training for Committee Members
Heat Stress Awareness and Prevention
Infection Prevention & Control Training
Internal Responsibility System Training (Ontario)
Introduction to Bill 132 Training
Ladder Safety Training
Lockout/Tagout - Control of Hazardous Energy Training
Occupational Health and Safety Awareness Training for Supervisors in Ontario
Occupational Health and Safety Awareness Training for Workers in Ontario

ATTACHMENT 1

Personal Protective Equipment Training
Personal Workplace Safety and Security Training
PTSD Awareness, Prevention, and Intervention Training for First Responders (Ontario)
Safe Driving for Work Training
Safe Food Handling Training for Workers
Safe Lifting Training
Safety at Heights - Fall Protection Training
Sharps Safety Training (Ontario)
Slips, Trips and Falls Awareness Training
The Right to Refuse Unsafe Work Training
Transportation of Dangerous Goods Training
Using a Fire Extinguisher Training
WHMIS 2015 including the GHS for Workers and Supervisors - All Jurisdictions
WHMIS 2015 Refresher Training
Workplace Bullying Training for Employees - All Jurisdictions
Workplace Hazards Training
Workplace Violence and Harassment Refresher Training (Ontario - Bills 168 and 132)
Workplace Violence and Harassment Training
Workplace Violence and Harassment Training for Employees (Ontario - Bills 168 and 132)
Workplace Violence and Harassment Training for Managers (Ontario - Bills 168 and 132)
Young Worker Health and Safety (All Jurisdictions)
Young Worker Safety and Awareness Training for Leaders
Instant HR - Compensation and Benefits
Designing Effective Job Descriptions Training
Employment Contracts & Payroll Forms Training
Job Analysis Training
Paying for Performance Training
Instant HR - Employee & Labour Relations
Administering Collective Agreement Training
Downsizing & Restructuring Training
Duty to Accommodate - A Guide for Leaders
Employee and Labour Relations Overview Training
Employee Motivation and Engagement Training
Handling Grievances and Working Together Training
Negotiating Collective Agreement Training
Providing Effective Feedback Training
Terminations - Not for Cause Training
Terminations for Cause Training

ATTACHMENT 1

Instant HR - HR 101
HR 101 Training
Instant HR - Occupational Health & Safety
Health and Safety Overview Training
Instant HR - Workplace Hazards Training
Return to Work Training
Worker Participation Training
Instant HR - Organizational Effectiveness
Attendance Management Training
Diversity in the Workplace Training
Exit Interviews, Effective Practices - A Guide for Leaders
Foundations of Team Dynamics Training
Human Resources Audits - Best Practice Training
Human Resources Compliance Audits - For HR Professionals
Knowledge Transfer - Training for Leaders
Organizational Change Training
Organizational Culture Training
Organizational Effectiveness Overview Training
Outsourcing Training
Succession Planning Training
Transactional vs Transformational HR Management Training
Instant HR - Recruiting and Selection
HR Planning Training
Interviewing Styles, Structures and Pre-Employment Testing Training
Interviewing Training
Job Postings Training
Onboarding - Effective Practices and Programs
Orientation Program Training
Recruitment and Selection Overview Training
Screening Background Checks Training
Instant HR - Training and Development
Designing Effective Training Programs Training
Training and Development Overview Training
Training Needs Analysis Training
Leadership
Achieving Benefits Optimization - A Human Resources Perspective
An Introduction to the Canada Labour Code
Coaching and Mentoring Training
Conflict Resolution Training
Detecting and Deterring Money Laundering and Terrorist Financing (FINTRAC)

ATTACHMENT 1

Effective Communication Training
Ethics and Professionalism Training
Handling Difficult Employee Conversations Training
How to Motivate Employees from Within, Training for Leaders
Interviewer Biases Training
Introduction to Ontario's Employment Standards Act, 2000 for Leaders
Lead by Example Training
New Supervisor Training
PHIPA - Personal Health Information Privacy Training (Ontario)
PIPEDA Training
Principles of Effective Problem Solving and Sound Decision Making Training
Progressive Discipline Training
Retaining Employees and Reducing Turnover - Training for Leaders
Top 5 Hidden Costs of Employee Benefits Training
Performance and Conduct
Conducting Performance Reviews - Training for Leaders
Goal Setting in the Workplace, Training for Leaders
Handling Change at Work - Training for Employees
IT Risk and Cybersecurity Training for Employees
Payment Card Industry Security Training for All Audiences
Professionalism in the Workplace: Best Practice Training for Supervisors
Protecting Confidential Information Training for Employees
Social Media Awareness Training for Employees
Telework Training for Employees
Unconscious Bias Training for All Audiences
Workplace Sensitivity – Training for Employees
Professional Skills
Managing Up - Best Practice Training for Professionals
Mastering Effective Presentation Skills
Mastering the Art of Business Writing for Professionals
Mastering the Art of Email Writing - For Professionals
Microsoft Excel 2010 Basic Training for Employees
Microsoft Outlook 2010 Basic Training for Employees
Project Management for Professionals
Time Management - Training for Professionals
Workplace Wellness
Working with Transgender Employees
Cannabis in the Workplace - Training for Leaders
Creating a Respectful Workplace Training
Crisis Intervention Training for All Audiences

ATTACHMENT 1

Employee Transition Services - Job Search Skills Training
Employee Transition Services - Resume Writing Training
Employee Transition Services Interview Skills Training
Financial Wellness Training
Gender and Sexual Diversity Training
Human Rights in Canada - Federal Regulations
Managing and Coping with Stress
Mental Health in the Workplace - Training for Employees
Mental Health in the Workplace - Training for Leaders
Office Ergonomics Training
Respect in the Workplace Training
Substance Abuse Training
The Evolution of Human Rights in Canada for Leaders (Ontario focus)

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 Add New Education

Courses Library

Search

Include Hidden



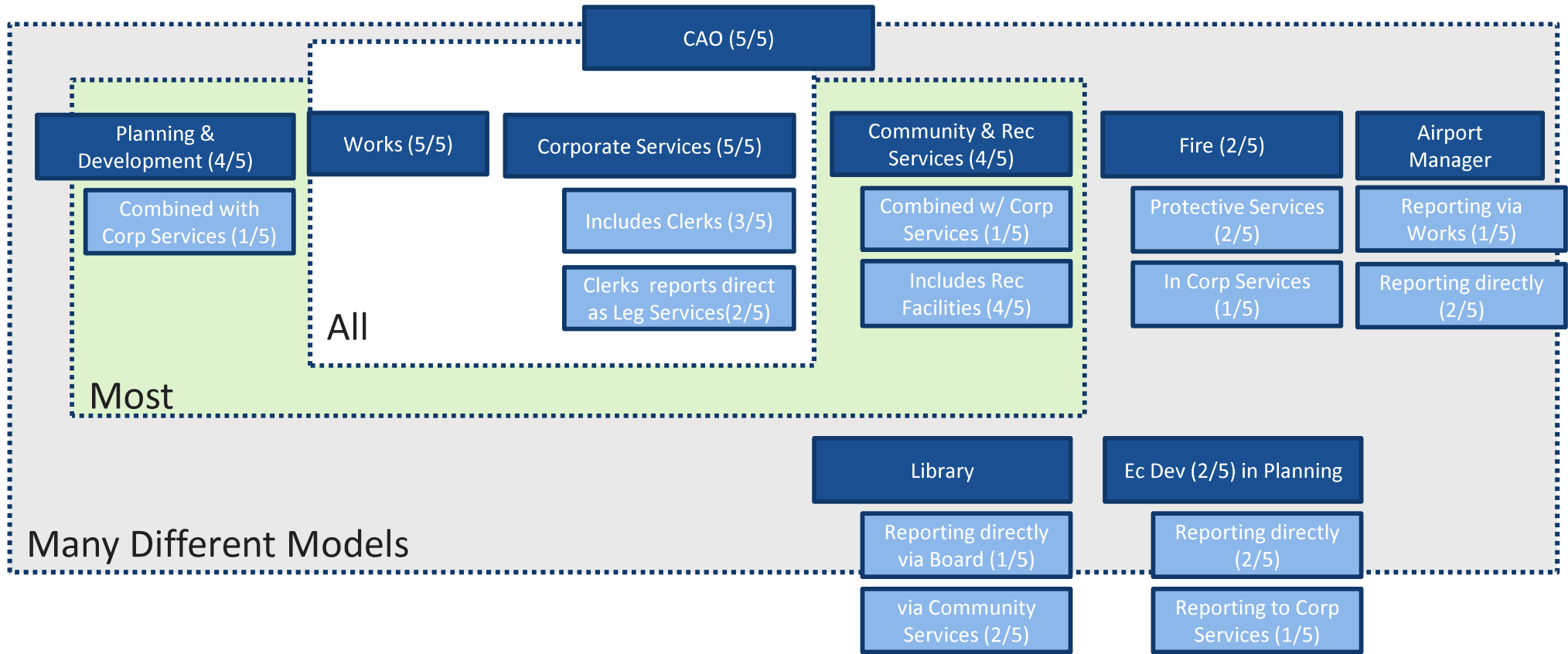
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<input type="button" value="+"/> 00 Teck Pioneer Residence Policies and Procedures	(11)
<input type="button" value="+"/> Accessibility Standards and AODA	(18)
<input type="button" value="+"/> Accessibility Standards for Customer Service	(3)
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<input type="button" value="+"/> Aging Process	(1)
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<input type="button" value="+"/> Body Mechanics, Lifts and Transfers and Ergonomics	(3)
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<input type="button" value="+"/> connectingontario	(8)
<input type="button" value="+"/> Continence, Constipation and UTI Management	(3)
<input type="button" value="+"/> COPD Assessment	(1)
<input type="button" value="+"/> Coronavirus COVID-19	(24) NEW!
<input type="button" value="+"/> Cultural Competence and Indigenous Cultural Safety	(5)
<input type="button" value="+"/> Customer Service	(6)
<input type="button" value="+"/> Cyber Security	(4)
<input type="button" value="+"/> Dementia Care/Responsive Behaviours	(22)
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<input type="button" value="+"/> Diabetes Assessment	(1)
<input type="button" value="+"/> Diabetes Care	(10)
<input type="button" value="+"/> Diabetes Protocol	(11)

 Title	Length
 Driving Safely (9)	
 Emergency and Pandemic Planning (1)	
 Emergency Preparedness and Fire Safety (1)	
 Empathy (2)	
 En Français (2)	
 Environmental Cleaning and Disinfection (16)	
 Ethics (2)	
 Everyday Practice Video (1)	
 Excellent Care for All Act, 2010 (1)	
 Falls Prevention (6)	
 Family and Friends Resource Library (7)	
 Fire Safety (6)	
 H&S - Occupational Health and Safety Awareness (24) 	
 Hand Hygiene (12)	
 Health and Safety (3)	
 Health and Wellness (6)	
 Heat Related Illness (1)	
 Help Files (6) 	
 High Risk Alert Management (1)	
 HIV/AIDS in Long Term Care (8)	
 Home Care Safety (1)	
 Huntingtons Disease (2)	
 Identifying Suicide Ideation (3)	
 Infection Prevention and Control (32) 	
 Infection Prevention and Control 2016 (8)	
 IV Therapy (1)	
 Lab Values (1)	
 Leadership Series - Part 1 (1)	
 Legislation (1)	
 LGBTQ (1)	
 Lift & Transfer Equipment (9)	
 Long Term Care Homes Act 2007 (16)	
 Medical Assistance in Dying (MAID) (1)	
 Medical Mart (6)	

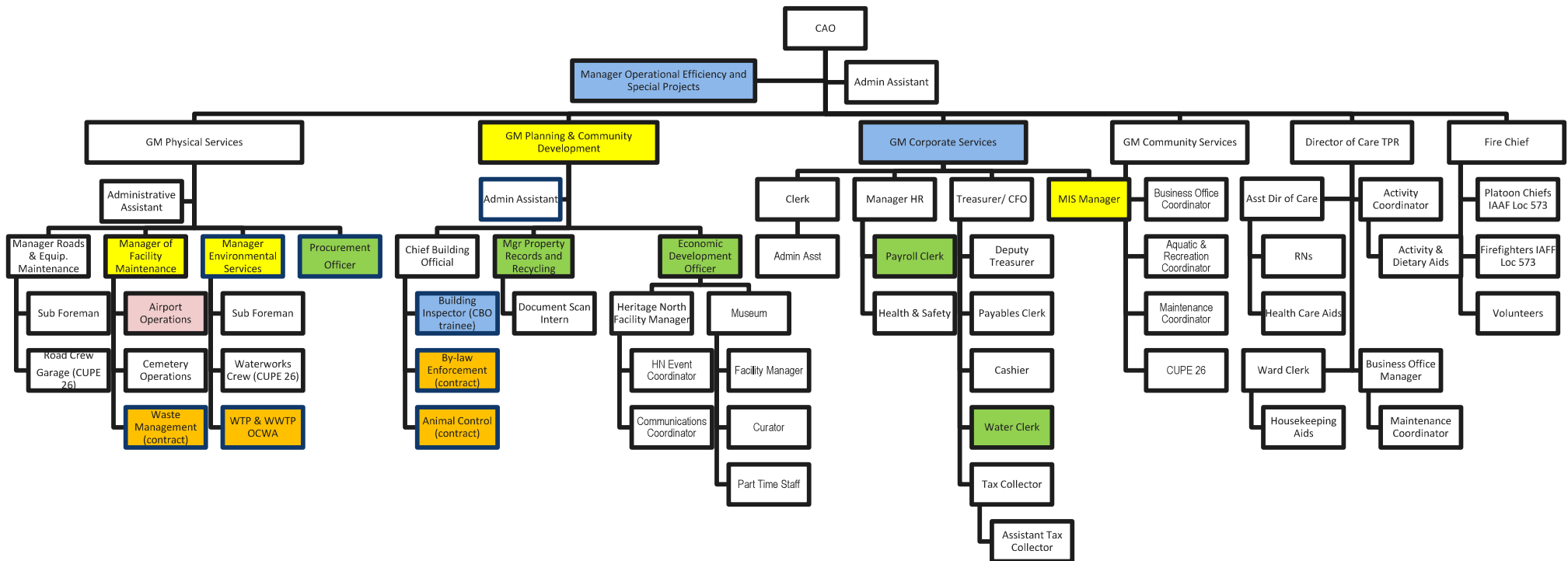
-	Title	Length
+	Medication (4)	
+	Mental Health (8)	
+	Ministry of Labour (9)	
+	MIP inc (13)	
+	Motivational/Humor (5)	
+	Musculo-Skeletal Injuries (2)	
+	Nestle (8)	
+	Nursing Equipment (9)	
+	Nutrition (12)	
+	OLTCA Resources (1)	
+	Organizational Risk Management (1)	
+	ORIENTATION - RAPID ONBOARDING DURING COVID-19 (4)	
+	Osteoporosis Canada LTC Series (16)	
+	Ostomy Care (2)	
+	Pain Management (6)	
+	Palliative and End-of-Life (3)	
+	Palliative Care and End of Life (4)	
+	Parkinsons Resources (1)	
+	Physical Assessment Series- Surge Learning Inc. (15)	
+	Plan of Care (1)	
+	Pleasurable Dining - Safe Eating and Hydration (2)	
+	Police Reference Check (1)	
+	Policies and Procedures (2)	
+	Prevail (9)	
+	Privacy and Confidentiality (1)	
+	Privacy and Security Training for Clinical End-Users (14)	
+	Privacy Health Information Protection Act (PHIPA) (4)	
+	PSHSA Education (1)	
+	PSW Webinar Series (2)	
+	Public Health Ontario JCYH Auditing Videos (17)	
+	Quality and Safety - Role of the Board (10)	
+	Quality Health Care (2)	
+	RAI MDS (3)	
+	Resident Care - Abuse prevention (7)	

-	Title	Length
+	Resident Care - Continenice Care (4)	
+	Resident Care - Falls Prevention (3)	
+	Resident Care - Nail and Foot Care (1)	
+	Resident Care - Pain Management (1)	
+	Resident Care - Restraints & PASDs (5)	
+	Resident Care - Skin and Wound (4)	
+	Resident Care and Services (7)	
+	Resident Care Planning (1)	
+	Restorative Care (4)	
+	Rexall (12)	
+	RNAO - Preventing and Addressing Abuse and Neglect. (5)	
+	ROHO (1)	
+	Safe Bathing and Water Temperature (1)	
+	Sapphire Pump (8)	
+	Seasons Care Dietary Education (35)	
+	Sexuality & Intimacy in the Elderly (1)	
+	Sharps (1)	
+	SHRTN Oral Health Series (13)	
+	Spiritual & Religious Care (1)	
+	Therapeutic Recreation (6)	
+	Unregulated Care Providers (4)	
+	Volunteers (1)	
+	Workplace Bullying (6)	
+	Workplace Violence and Harassment:Provincial Specific Legislation (1)	
+	Wound Assessment (3)	
+	Young, New and Vulnerable Workers (1)	
+	ZZ - To be Retired December 2020 (8)	

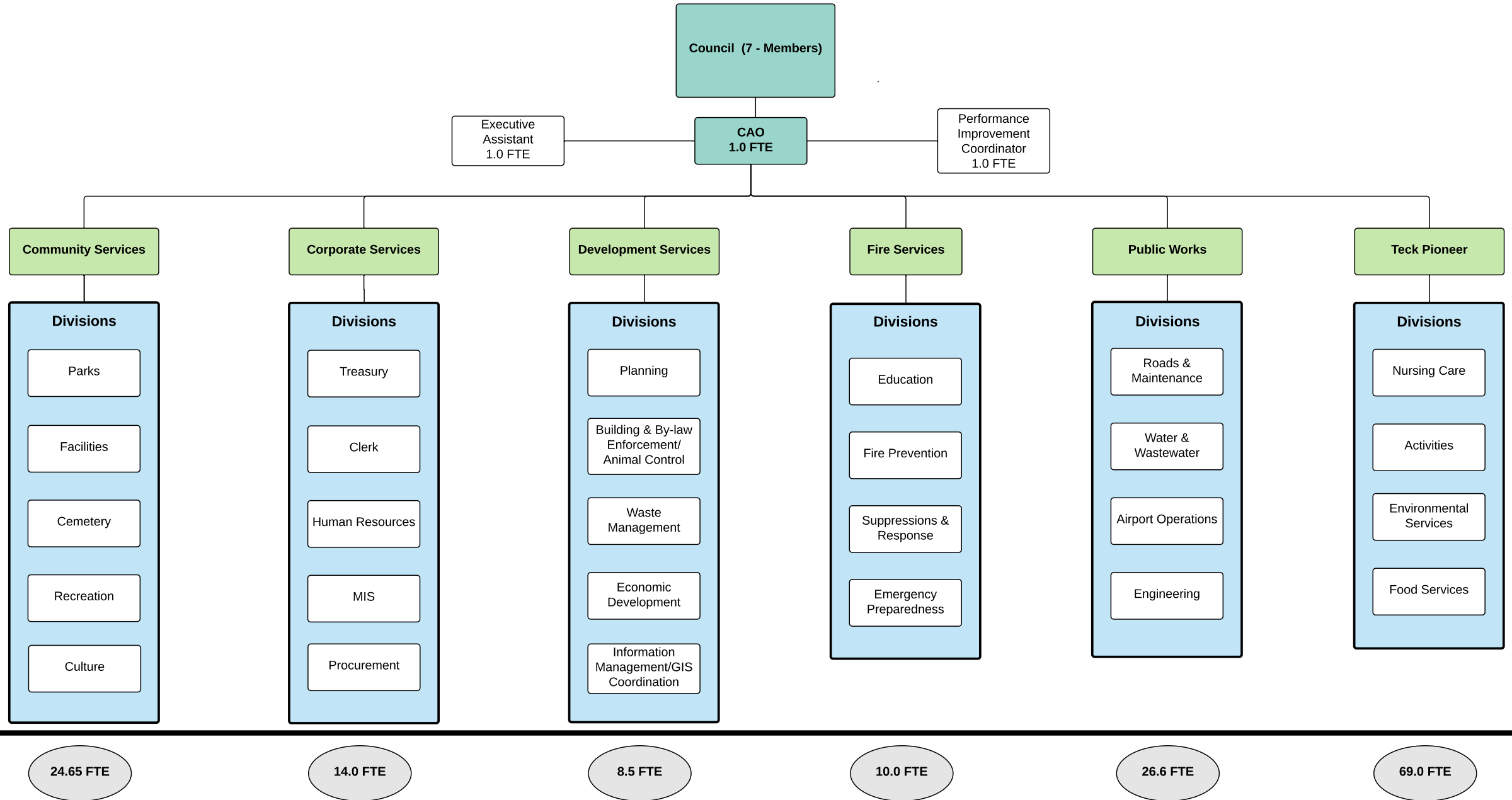
Summary: Lessons from other comparable municipal structures



Summary of Recommended Changes

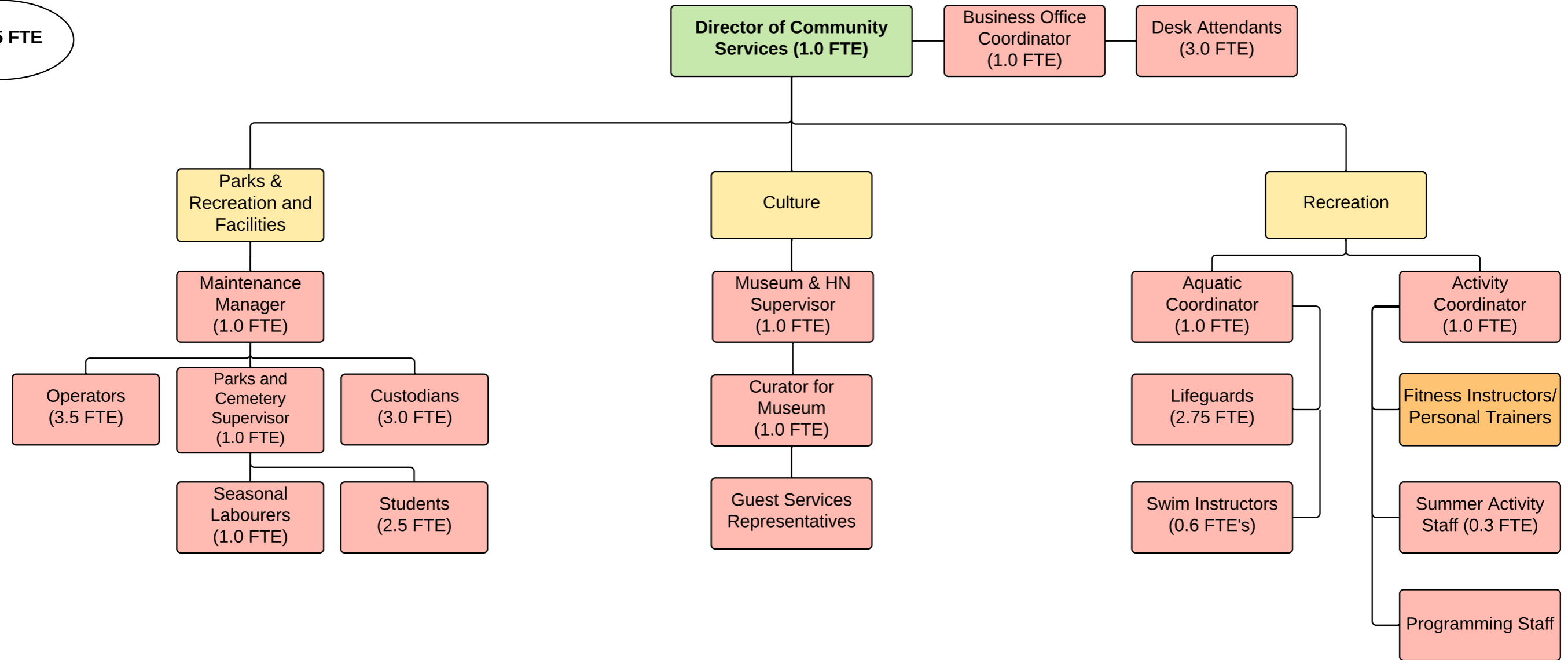


Organizational Structure



Community Services

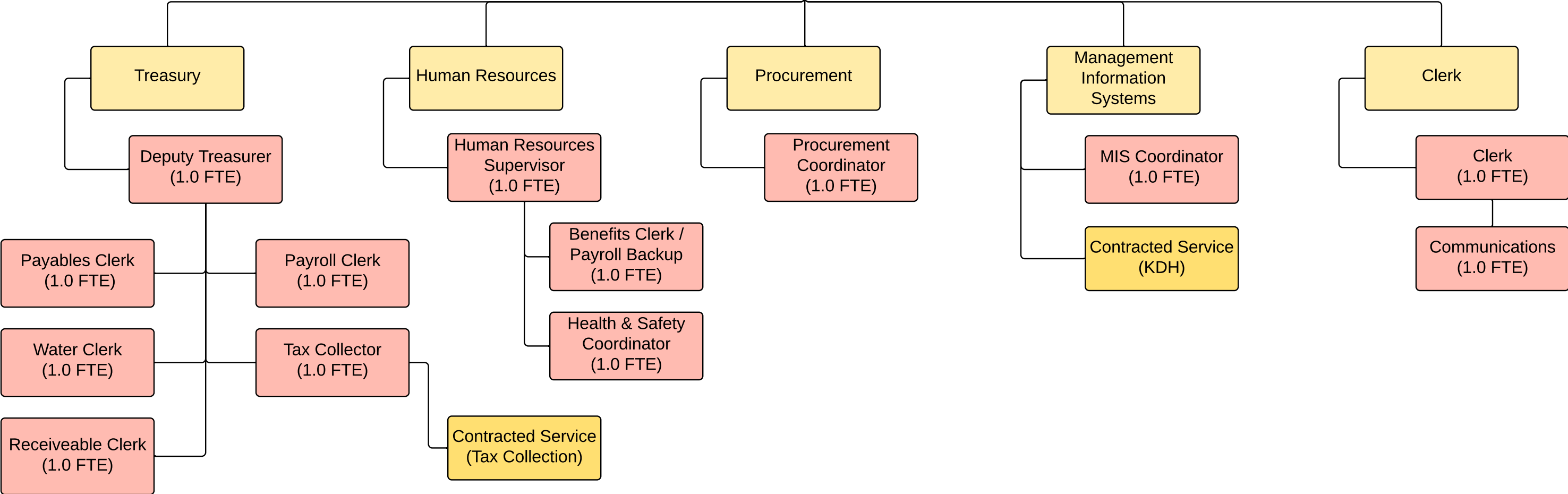
24.65 FTE



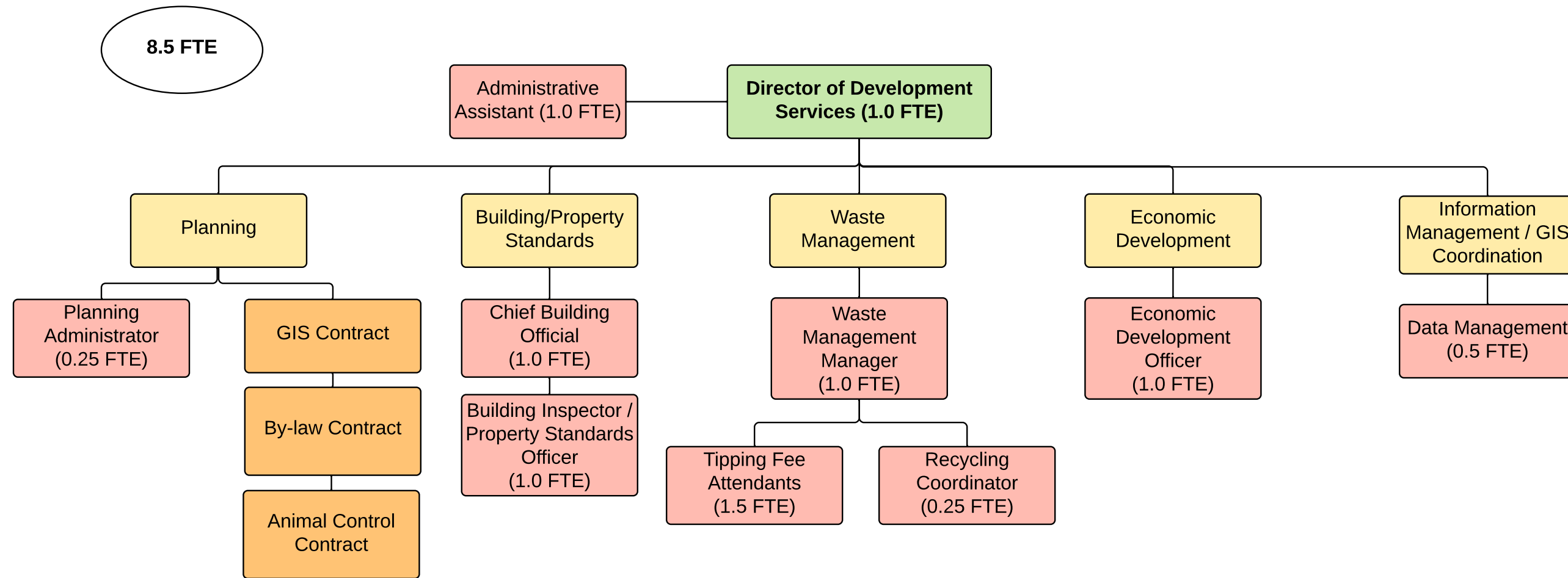
Corporate Services

14.0 FTE

Director of Corporate Services (1.0 FTE)

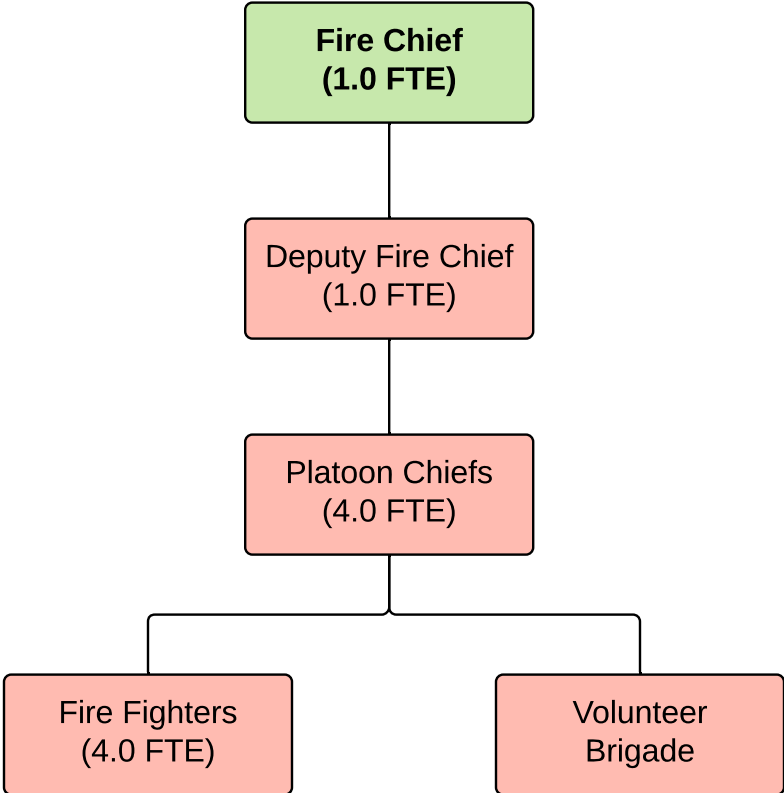


Development Services



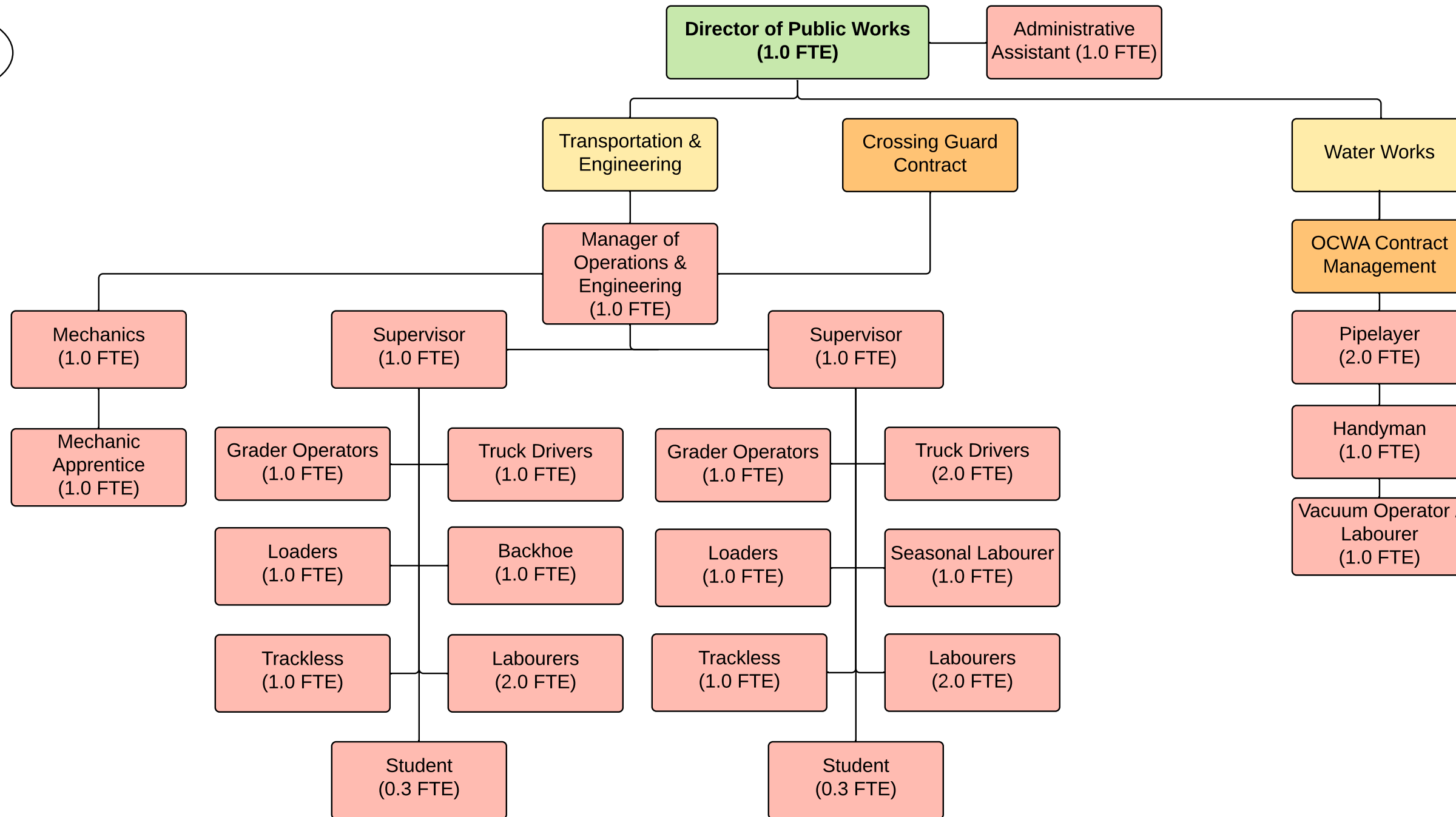
Fire Services

10.0 FTE

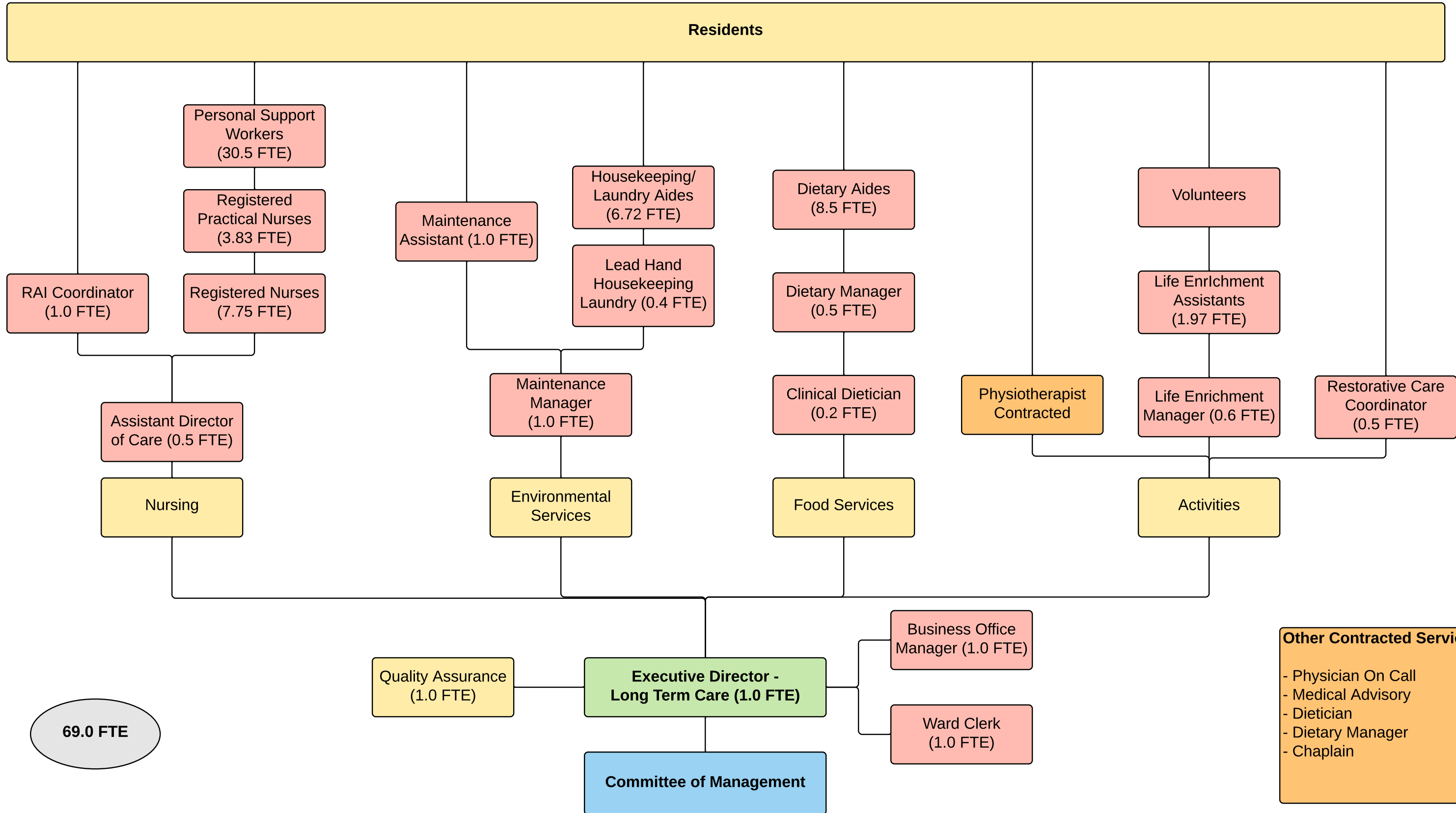


Public Works

26.6 FTE



Teck Pioneer Residence



69.0 FTE

- Other Contracted Services:**
- Physician On Call
 - Medical Advisory
 - Dietician
 - Dietary Manager
 - Chaplain



REPORT TO COUNCIL

Meeting Date: 7/14/2020	Report Number: 2020-CLK-002
Presented by: Meagan Elliott	Department: Administration

REPORT TITLE

Award of RFP-553-20: Integrity Commissioner

RECOMMENDATION(S)

BE IT RESOLVED THAT Report Number 2020-CLK-002 entitled “**Award of RFP-553-20: Integrity Commissioner**” be received,

THAT staff be directed to award the services of an Integrity Commissioner to ADR Chambers Inc., and

THAT staff be directed to present a by-law to authorize the execution of an agreement with ADR Chambers Inc. to be the Integrity Commissioner for the Corporation of the Town of Kirkland Lake for a 5 year term with an option to renew for 2 years.

BACKGROUND

Staff prepared and released a Request for Proposal (RFP) for services of an Integrity Commissioner. The Town of Kirkland Lake partnered with the Township of Larder Lake on the issuing of the RFP but will act independently for the services. Two submissions were received and evaluated.

RATIONALE

Staff reviewed and evaluated the submissions. The evaluation team consisted of Meagan Elliott, Clerk for Town of Kirkland Lake, Crystal Labbe, Clerk/Treasurer for Township of Larder Lake, and Marianne Hull, Finance and Administration Clerk for Township of Larder Lake. Staff is recommending to select ADR Chambers Inc. as their investigators have many years of direct experience. The full proposal is attached for reference and the competitor submission is available for review by request through the

Clerk's office. Staff also contacted the City of Timmins as a reference and received positive feedback.

OTHER ALTERNATIVES CONSIDERED

No other alternatives were considered. Staff are confident that the recommendation of ADR Chambers Inc. is appropriate.

FINANCIAL CONSIDERATIONS

ADR Chambers Inc. requires a yearly retainer fee of \$500.00 in addition to the hourly wage of work completed for inquiries. Funds are budgeted in 2020 for Integrity Commissioner costs.

RELATIONSHIP TO STRATEGIC PRIORITIES

The services of an Integrity Commissioner are mandated through the *Municipal Act, 2001* and are in line overall with the Strategic Plan for an improved open and transparent government.

ACCESSIBILITY CONSIDERATIONS

Not applicable.

CONSULTATIONS

Ric McGee, CAO
Crystal Labbe, Clerk/Treasurer (Township of Larder Lake)
Marianne Hull, Finance and Administration Clerk (Township of Larder Lake)
Steph Palmateer, Clerk (City of Timmins)

ATTACHMENTS

Attachment 1 – RFP Opening Minutes
Attachment 2 – ADR Chambers Inc. Proposal Submission
Attachment 3 – Scoring

[BACK TO
TOP](#)

Minutes

Corporation of the Town of Kirkland Lake
Tender Opening
Electronic Opening via ZOOM
June 30, 2020
2:00 p.m.

Attendance – electronically

Town of Kirkland Lake Staff: Meagan Elliott, Clerk
Keith Gorman, Treasurer

Township of Larder Lake Staff: Marianne Hull, Finance and Administration Clerk

Public: Vishu Kumaran

The purpose of this meeting was to open electronically submitted proposals for an Integrity Commissioner for the Corporation of the Town of Kirkland Lake and the Township of Larder Lake, RFP 553-20.

The proposals received were as follows:

DPRA Canada
ADR Chambers Inc.

The packages were forwarded to staff for review. The evaluation team consists of Meagan Elliott, Crystal Labbe, and Marianne Hull.

Meeting adjourned at 2:05 p.m.



Meagan Elliott, Clerk (Kirkland Lake)



Marianne Hull, Finance and Administration
Clerk (Larder Lake)



BID FOR INTEGRITY COMMISSIONER SERVICES
FOR THE TOWN OF KIRKLAND LAKE AND THE
TOWNSHIP OF LARDER LAKE

RFP Number:

RFP-553-20

June 30, 2020 at 2:00 p.m. E.D.T.

PROPONENT'S NAME:

ADR CHAMBERS INC.
180 Duncan Mill Road, 4th Floor
Toronto, ON M3B 1Z6
Tel: (416) 307-0002
Fax: (416) 307-0011
Email: allan@adr.ca
Authorized Representative: Marisa Botha

Submitted by email to: meagan.elliott@tkl.ca

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NORTH YORK, ONTARIO
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800.856.5154
f: 416.362.8825
adr@adrchambers.com
www.adrchambers.com

June 30, 2020

The Town of Kirkland Lake
Attn: Meagan Elliott, Clerk
3 Kirkland Street
Kirkland Lake, Ontario
P2N 3P4

To whom it may concern:

Thank you for the opportunity to submit a proposal to the Town of Kirkland Lake and the Township of Larder Lake (the "Town") for the services of an Integrity Commissioner.

ADR Chambers specializes in investigations, integrity commissioner and ombuds services, arbitration, mediation, and other forms of dispute resolution. In 2011, ADR Chambers opened an Office of the Integrity Commissioner, and currently acts as the Integrity Commissioner for 19 municipalities across Ontario.

ADR Chambers proposes Charles Harnick as the Town's Integrity Commissioner, with Deborah Anschell and Marvin Huberman as associate investigators. Details of their respective qualifications and experience are disclosed in our submission.

None of ADR Chambers, the proposed Integrity Commissioner, nor any of the associate investigators have any financial interest in work undertaken by the Town, nor any conflicts of interest with matters involving the Town. They are committed to maintaining neutrality, and will not undertake work that will be in conflict with their work with the Town.

Our submission is attached. Kindly let me know if you require any further information.

Yours sincerely,

Marisa Botha
Chief Operating Officer

1. Brief Description of ADR Chambers

ADR Chambers Inc. is a corporation with a panel of expert service providers that provide dispute resolution and investigation services. ADR Chambers opened in 1994, and, in 2004, it merged with the Stitt Feld Handy Group, which is a prominent ADR training company. The Stitt Feld Handy Group provides conflict resolution training around the world and has trained over 50,000 people since 1994. The Stitt Feld Handy Group offers specialized training on topics such as conflict resolution, negotiation, having difficult conversations, and dealing with difficult people. Its workshops and online courses are conducted in affiliation with the University of Windsor's Faculty of Law and are recognized by the ADR Institute of Ontario for credentialing purposes.

In 2010, ADR Chambers also merged with Dispute Resolution Services, another provider of mediation and arbitration services, and is now one of the largest providers of dispute resolution and third-party neutral services in North America.

ADR Chambers specializes in investigations, integrity commissioner and ombuds services, arbitration, mediation, and other forms of dispute resolution. ADR Chambers employs approximately 25 full-time employees and maintains a roster of approximately 60 professional and experienced neutrals who act as Integrity Commissioners, Ombuds, investigators, arbitrators, and mediators.

ADR Chambers opened the ADR Chambers Ombuds Office in 2009, offering ombudsman services to municipalities, banks, and others. The ADR Chambers Banking Ombuds Office ("ADRBO") provides independent investigation services for disputes between financial institutions and their customers. It is one of only two approved (and federally-regulated) External Complaints Bodies in Canada.

ADR Chambers is currently the Municipal Ombudsman for the following Municipalities:

- Regional Municipality of York (since 2016);
- Town of East Gwillimbury (since 2016);

- Regional Municipality of Halton (since 2016);
- City of Burlington (since 2016);
- Regional Municipality of Durham (since 2016);
- Municipality of Clarington (since 2016);
- Township of Brock (since 2016); and
- Town of Whitby (since 2016)

ADR Chambers started an Office of the Integrity Commissioner in 2011. The ADR Chambers Office of the Integrity Commissioner uses a team approach to best serve clients. ADR Chambers is currently serving as the Office of the Integrity Commissioner for the following municipalities in Ontario:

- City of Markham (since 2013);
- City of Kitchener (since 2016);
- City of Waterloo (since 2016);
- Township of Woolwich (since 2017);
- Regional Municipality of Niagara (since 2017);
- Town of Niagara-on-the-Lake (since 2018);
- Town of Wainfleet (since 2018);
- Town of Georgina (since 2018);
- Township of North Dumfries (since 2018);
- Town of Fort Erie (since 2019);
- Town of Grimsby (since 2019);
- Haldimand County (since 2019);
- Municipality of Leamington (since 2019);
- City of Niagara Falls (since 2019);
- Town of Pelham (since 2019);
- City of Port Colborne (since 2019); and
- City of Timmins (since 2019);
- City of Kawartha Lakes (since 2019)
- City of Brantford (since 2020)

ADR Chambers and its Integrity Commissioners attend and participate in meetings of the Municipal Integrity Commissioners of Ontario ("MICO").

2. Proposed Integrity Commissioner and Supporting Team

ADR Chambers proposes Charles A. Harnick as the Integrity Commissioner. Mr. Harnick was the Attorney General of Ontario from 1995-99, and has practiced law for over 40 years. He is currently an Integrity Commissioner, investigator, mediator, and arbitrator with ADR Chambers, and is also the Senior Adjudicator of the General Insurance Ombuds Service. Mr. Harnick was an elected member of the Ontario Legislature from 1990 to 1999, and he additionally served as the Minister Responsible for Native Affairs from 1995 to 1999. Mr. Harnick was a member of the committee that wrote the provincial *Members Integrity Act, 1994*.

The ADR Chambers Office of the Integrity Commissioner uses a team approach to serve clients best. If Mr. Harnick becomes unavailable, the workload increases beyond what he can reasonably handle, or he otherwise requires additional assistance, ADR Chambers has other panel members with extensive experience in conducting investigations, including municipal matters. Assisting Mr. Harnick as investigators, we propose Deborah Anschell and Marvin Huberman. In consultation with the municipality, Mr. Harnick will determine whether he will personally conduct investigations, or ask other investigators to conduct the investigations.

Ms. Anschell is currently the Integrity Commissioner for the City of Waterloo, the City of Timmins, and the Town of Georgina. She is also an investigator with the ADR Chambers Ombuds Office and has completed several municipal ombuds investigations. Ms. Anschell has 20 years of experience in law and is a member of the Law Societies of Ontario, Alberta, and British Columbia.

In 2018, Ms. Anschell drafted new Codes of Conduct and procedures for two municipalities and provided education and training sessions on the Codes of Conduct and Ontario's *Municipal Conflict of Interest Act* for several municipalities.

Mr. Huberman is an Integrity Commissioner for the City of Brantford and ombuds investigator for numerous municipalities. Mr. Huberman has over 30 years of experience as a lawyer and additionally is an investigator, mediator and arbitrator with ADR Chambers. He is accredited as a Chartered Arbitrator (C.Arb.) by the ADR Institute of Canada and is a Fellow of the Chartered Institute of Arbitrators (FCI Arb). He holds a Master of Laws Degree in Alternative Dispute Resolution from Osgoode Hall Law School, where he served as a mediation coach. Mr. Huberman is also an investigator with the ADR Chambers Banking Ombuds Office and conducts investigations in corporate oppression matters and workplace harassment claims. He also investigated the hiring of a Chief Administrative Officer of a Regional Municipality (at the region's request).

The Integrity Commissioner and associate investigators will be supported by Tanya Goldberg, Manager – ADR Services, as the Intake Officer for all matters. Ms. Goldberg was called to the Ontario Bar in 1995 after receiving an LL.B. and B.C.L. from McGill University. She has extensive experience as a civil litigator, first as an associate at Osler, Hoskin & Harcourt LLP and subsequently as a Partner at Borden Ladner Gervais LLP. Ms. Goldberg has managed complex legal matters, including class actions, through to successful resolution. She has also provided adjudicative support, initially as a law clerk to the judges of the Ontario Court of Appeal, and more recently to the Discipline Committee of the Ontario College of Teachers.

Zachary Kozak is the Coordinator responsible for providing senior-level administrative support to the Office of the Integrity Commissioner of 19 municipalities throughout Ontario. Zachary received a Bachelor of Arts, Honours in Law & Society in 2009 from York University. He later received an Ontario College Diploma, Honours in Court & Tribunal Administration in 2011 from Seneca College of Applied Arts and Technology.

For more information on the proposed Integrity Commissioner and associate investigators, please see Schedule B – Bios and Resumes.

3. Understanding of Requirements

ADR Chambers, Charles A. Harnick, Deborah Anschell and Marvin Huberman acknowledge that they understand the requirements under “Scope of Work” and “Qualifications” set out in the Request for Proposal. In particular, they are familiar with the role of Integrity Commissioner as described in the Municipal Act, 2001, they understand they do not have authority over the conduct of municipal employees, and they possess the listed qualifications, as described more fully below.

4. Qualifying Criteria for the Position of Integrity Commissioner

Mr. Harnick meets all the qualifying criteria listed in the Request for Proposal for the position of Integrity Commissioner, as described below.

4.1 Proven impartiality and neutrality

Mr. Harnick is well-versed in the tenets of impartiality, neutrality, and confidentiality through his past mandates and current positions. He is currently an investigator, mediator, and arbitrator with ADRC and has been practicing law for over 40 years. Mr. Harnick was an elected member of the Ontario Legislature from 1990 to 1999 and he served as the Attorney General of Ontario and the Minister Responsible for Native Affairs from 1995 to 1999. Mr. Harnick was a member of the committee, chaired by former Chief Justice Gregory Evans, that wrote the Members Integrity Act, 1994 for the Ontario Legislature.

Mr. Harnick has conducted several hundred mediations. Through Mr. Harnick’s extensive negotiation and mediation experience, he has demonstrated sound judgment as an independent, impartial, and constructive neutral who has helped to facilitate resolutions in the majority of conflicts he has mediated.

Mr. Harnick is the Senior Adjudicator of the General Insurance Ombuds Service. When resolutions are not reached between an insured and the insurer, Mr. Harnick reviews the submissions and files to determine the facts. He then renders a non-binding decision and often makes recommendations to deal with similar situations in the future. Although Mr. Harnick's decisions are non-binding, all parties have accepted his conclusions and adhered to his recommendations.

In his role as a Senior Adjudicator and mediator, Mr. Harnick has shown his ability to render defensible opinions and has demonstrated impartiality and neutrality similar to that displayed by a judge.

4.2 Provide services on a part-time, flexible and as-needed basis

As a professional providing legal and dispute resolution services, Mr. Harnick has demonstrated the ability to provide services to his various clients on a flexible and as-needed basis. Also, the efficient and collaborative methodology used by Mr. Harnick and the ADR Chambers Office of the Integrity Commissioner ensures that the services can be provided on a flexible and as-needed basis, without competing employment demands.

In the event that Mr. Harnick is unavailable, or requires assistance, he may call upon Mr. Huberman or Ms. Anschell. Any services rendered by Mr. Huberman or Ms. Anschell, would be performed under the supervision of Mr. Harnick.

The Integrity Commissioner and investigators are also supported by ADRC and its administrative staff, including the Intake Officer ("IO"), who has an LL.B. and B.C.L. from McGill University.

This delivery model provides the capacity and flexibility to deal with large numbers of complaints or small numbers of complaints in a cost effective and timely manner.

4.3 No other involvement in political campaigning/endorsement, or related conflicts of interest

ADR Chambers, the proposed Integrity Commissioner, and the associate investigators do not have any involvement in political campaigning/endorsements or any related issues concerning current Members of Council or candidates running for office in any municipal election in the Town of Kirkland Lake or Township of Larder Lake.

4.4 No financial interest in the work undertaken by the Town of Kirkland Lake or Township of Larder Lake

ADR Chambers, the proposed Integrity Commissioner, and the associate investigators do not have any financial interest in work undertaken by the Town of Kirkland Lake or Township of Larder Lake.

4.5 An independent person who personifies high ethical standards

Mr. Harnick is a recipient of the Law Society Medal. This award honours those who make a significant contribution in accordance with the highest ideals of the legal profession. It demonstrates the esteem conferred upon Mr. Harnick by his peers for his service and ethical standards.

4.6 Experience managing sensitive inquiries, conducting investigations and making appropriate recommendations

Through his roles as an Integrity Commissioner, investigator, lawyer, adjudicator, and arbitrator, Mr. Harnick has conducted numerous investigations. Throughout his legal career (including time as the Attorney General of Ontario, Minister Responsible for Native Affairs, and an elected member of the Ontario Legislature), Mr. Harnick has relied on a thorough understanding of evidence, legal interpretation, and the rules of natural justice.

Throughout his career as a litigation lawyer, Mr. Harnick routinely investigated cases. His ability to delve into and marshal the facts was a precursor to his success in resolving a variety of disputes.

Mr. Harnick is currently the Integrity Commissioner for four municipalities and is an associate investigator for several other municipalities. Mr. Harnick is accustomed to investigating sensitive matters, including reviewing documents and interviewing witnesses, and producing reports with recommendations.

Mr. Harnick also conducts investigations as the Senior Adjudicator for the General Insurance Ombuds Service.

4.7 Excellent communication skills

Mr. Harnick has excellent oral and written communication skills. He has made presentations to the legislative assembly, legislative committees, senate committee, municipal councils, and clients. He has been a guest speaker and panellist at numerous public events. He has made presentations at continuing legal education conferences sponsored by the Law Society of Ontario and he has been a guest lecturer at Osgoode Hall Law School for the Certificate Program in Negotiation Training. Mr. Harnick has written numerous reports in his various roles, including Senior Adjudicator for the General Insurance Ombuds Service and Integrity Commissioner for four Ontario municipalities.

4.8 Familiarity with investigator procedures and the applicable legal principles

Mr. Harnick is very familiar with investigator procedures and applicable legal principles through his legal training and career as well as his experience as an investigator with the General Insurance Ombuds Service and as Integrity Commissioner for various Ontario municipalities.

4.9 General knowledge and appreciation of municipal government

Mr. Harnick is known for his experience and knowledge of municipal law and municipal governance and, as a result, is often called upon by law firms that specialize in municipal law to aid clients who are engaged in municipal matters.

Mr. Harnick is also the Integrity Commissioner for four Ontario municipalities. As such, he is very familiar with legislation affecting municipalities, Codes of Conduct, and the challenges affecting the operation of municipal governments.

4.10 Ability to interpret and apply the provisions of various statutes, regulations, policies and other enabling frameworks

Mr. Harnick was an elected member of the Ontario Legislature from 1990 to 1999 and served as the Attorney General of Ontario and the Minister Responsible for Native Affairs from 1995 to 1999. Mr. Harnick was a member of the committee chaired by former Chief Justice Gregory Evans that wrote the Members Integrity Act, 1994 for the Ontario Legislature. He was instrumental in bringing the major legal organizations in Ontario together with paralegal organizations, culminating in legislation that has made the Law Society of Ontario the regulator of paralegal activities. As Attorney General, Mr. Harnick also orchestrated the creation of the Ontario Mandatory Mediation Program and Legal Aid Ontario. In these various capacities, Mr. Harnick has regularly been called upon to interpret and apply the provisions of statutes, regulations, and policies.

In his roles as an Integrity Commissioner, investigator, lawyer, adjudicator, and arbitrator, Mr. Harnick has frequently been called upon to interpret and apply various statutes, regulations, policies and other enabling frameworks. For example, he is frequently asked whether a councillor's behavior has contravened the municipality's Code of Conduct.

4.11 Impartiality, wisdom, sound judgment combined with the ability to inspire trust and confidence

As the Attorney General of Ontario for four years, Mr. Harnick required and demonstrated sound judgment, wisdom, and the ability to impartially assess and manage complex issues.

As the Minister Responsible for Native Affairs, Mr. Harnick oversaw the conclusion of five major land claims. In his role as the Chief Federal Investigator for the Coldwater-Narrows land claim, he interacted with members of four First Nations. To negotiate the resolution of complex issues, such as land claims, the parties must trust and have confidence in one another. During this six-year land claim negotiation, Mr. Harnick built relationships and developed trust so the parties could find solutions while working collaboratively. The Coldwater-Narrows land claim settled, in part, because of the level of trust the parties had with one another.

4.12 Timely delivery of assignments

Mr. Harnick appreciates that municipalities require timely advice and manages his various responsibilities so he can respond efficiently and effectively to requests and complaints.

4.13 At least ten years of senior-level management, legal or quasi-judicial experience.

Having practiced law for over 40 years, Mr. Harnick has an extensive legal background. Mr. Harnick was an elected member of the Ontario Legislature from 1990 to 1999 and served as the Attorney General of Ontario and the Minister Responsible for Native Affairs from 1995 to 1999.

Additionally, he was a member of the committee chaired by former Chief Justice Gregory Evans that wrote the Members Integrity Act, 1994 for the Ontario Legislature.

For more information, please see Charles Harnick's Biography at Schedule "B" of this proposal.

5. Past Experience in Similar Projects

5.1 Investigative Experience

Respondents are to give at least two (2) examples which demonstrate how their previous experience aligns with the role of the proposed Integrity Commissioner such as:

- *Impartiality and neutrality in managing sensitive inquiries and conducting investigations and making appropriate recommendations;*
- *Expertise with investigative techniques and procedures and in gathering of evidence and its legal interpretation; and*
- *Adjudicative skills or similar related experience.*

Proposed Integrity Commissioner: Charles Harnick

Mr. Harnick is the Integrity Commissioner for four municipalities and is an associate investigator for several other municipalities. Mr. Harnick investigates cases, interviews, parties, reviews documents, and produces reports. As the Senior Adjudicator of the General Insurance Ombuds Service, Mr. Harnick reviews submissions to determine the facts and then renders non-binding decisions. He often makes recommendations to deal with similar situations in the future.

Example 1

As Integrity Commissioner, Mr. Harnick has experience with reviewing multiple complaints from Council members about each other in a single municipality. Such matters can be sensitive as they may detrimentally affect working relationships necessary for the smooth operation of a Council and negatively impact public perception. He conducts a thorough investigation combined with careful and impartial consideration

to determine whether the behaviour amounts to a breach of the Code of Conduct and warrants a sanction or falls within the realm of healthy debate at Council. Mr. Harnick's experience as a former elected official and his skills as a mediator gives him the insight to effectively address such situations.

Example 2

Mr. Harnick investigated an alleged breach of a municipal Code of Conduct in relation to a councillor's service of a libel notice to a delegate at a Council meeting. After reviewing the timeline of events, he determined that the complaint was brought outside the time limit specified in the Code of Conduct, as the subject matter of the complaint had demonstrably become known to the complainant many months prior yet she had failed to act. Accordingly, he declined to conduct any further investigation and notified the complainant of this determination.

Example 3

Mr. Harnick has significant adjudicative experience in a variety of roles. As the Senior Adjudicator of the General Insurance Ombuds Service, he reviews submissions to determine the facts and then renders non-binding decisions. In this role, he often makes proactive recommendations to deal with similar situations in the future. Additionally, he currently acts as Integrity Commissioner for four Ontario municipalities and is accustomed to applying Codes of Conduct and municipal conflict of interest legislation. Furthermore, Mr. Harnick is an arbitrator with ADR Chambers.

Example 4

Mr. Harnick also has extensive experience with alternative dispute resolution techniques. For example, as the Minister Responsible for Native Affairs, Mr. Harnick oversaw the conclusion of five major land claims. In complex issues like land claims, the negotiation style must be collaborative, and the parties must trust one another. During the six-year

Coldwater-Narrows land claim negotiation, Mr. Harnick built relationships and developed trust so the parties could find solutions while working collaboratively. The land claim settled, in part, because of the level of trust the parties had for Mr. Harnick.

5.2 General Municipal Knowledge

Respondents shall provide: A minimum of two (2) examples which demonstrate broad knowledge and experience related to municipal government, the role of a municipal integrity commissioner, as well as practices, procedures, methods and mandates related to the municipal sector.

Proposed Integrity Commissioner: Charles Harnick

The proposed Integrity Commissioner, Mr. Charles Harnick, currently acts as Integrity Commissioner for four Ontario municipalities. In this role, he has acquired broad knowledge and experience about municipal governments, including their practices, procedures, methods and mandates. As Integrity Commissioner, he regularly reviews and provides advice on municipal Codes of Conduct and conflicts of interest, requiring him to be familiar with the workings, issues and challenges facing municipal government.

Example 1

Mr. Harnick recently conducted a Code of Conduct review at the request of a municipality. As part of this review, he considered the Codes of Conduct of comparable municipalities, the relevant legislation and best practices. His review resulted in a recommendation to make several revisions to the Code of Conduct in areas such as social media, confidentiality, and relationships between Council and staff. His suggestions were adopted by Council, and he provided training to Council members relating to the amendments.

Example 2

Mr. Harnick, as Integrity Commissioner, received a complaint that claimed that specific behaviour during a Council meeting contravened the Municipality's Code of Conduct. Mr. Harnick reviewed the complaint and a video of the Council meeting and concluded that there was a healthy debate at Council and a healthy exchange with representatives from the public. He determined that the complaint was frivolous and vexatious.

5.3 Knowledge of Ontario Municipal Law

Respondents shall provide: One (1) example which demonstrate broad knowledge and experience related to municipal government and the role of a municipal integrity commissioner.

Proposed Integrity Commissioner: Charles Harnick

As the acting Integrity Commissioner for four municipalities, Mr. Harnick is already familiar with Ontario's *Municipal Conflict of Interest Act* and the Bill 68 amendments to the *Municipal Act, 2001*. Mr. Harnick regularly reviews and applies statutes such as the *Municipal Conflict of Interest Act*. Mr. Harnick's experience with Ontario municipal law can also be demonstrated by his interpretation and application of Codes of Conduct for various Ontario municipalities.

Example 1

Mr. Harnick employs his broad knowledge and experience related to municipal government and the role of a municipal integrity commissioner to provide training to various municipal councils upon request. Topics presented in training include a review of a municipality's Code of Conduct, municipal legislation (including the *Municipal Conflict of Interest Act*, *Municipal Act, 2001*, as amended, and Bill 68 amendments), and rules of ethical behaviour.

Example 2

In addition to his Integrity Commissioner work, Mr. Harnick has acted as counsel in numerous municipal matters. In his capacity as a Principal of Counsel Public Affairs, clients engaged Mr. Harnick to resolve disputes concerning development charges, zoning changes, and permits. A law firm specializing in municipal and planning law routinely retains Mr. Harnick for government relations work, a position that requires Mr. Harnick to understand and interpret legislation relating to municipal government, municipal governance, and the conduct of elected officials.

6. Workplan

Through our provision of Integrity Commissioner Services over the past nine years, we have provided confidential advice to Members of Council, conducted inquiries into complaints, made recommendations to Council following the completion of investigations, delivered annual reports and provided educational services on topics such as the *Municipal Conflict of Interest Act*, Codes of Conduct and the Integrity Commissioner's role.

6.1 Complaint Investigation and Adjudication Duties

ADR Chambers and Mr. Harnick understand that it is important for the Integrity Commissioner to communicate effectively and work with the Town. The Town Clerk will be kept well-informed.

ADR Chambers' teamwork and collaborative model allows the Integrity Commissioner and investigators to be responsive to all issues that arise. Any communications received by the Town Clerk will be responded to within one to two business days (not including statutory holidays).

ADR Chambers proposes that communication and coordination between the Town Clerk and the Integrity Commissioner, Intake Officer, or investigators take place primarily through email over a secure network. Teleconference, videoconference and telephone are also available for use if needed. The Integrity Commissioner, the Associate Investigators, and the Intake Officer will be available for meetings with the Town when necessary.

ADR Chambers is the Integrity Commissioner for 19 other municipalities in Ontario. Accordingly, ADR Chambers and Mr. Harnick are ready to begin the Integrity Commissioner's work immediately. There will be no start-up work or costs specifically necessary to maintain the Office of the Integrity Commissioner for the Town. The infrastructure to support the Office of the Integrity Commissioner is already in place, and ADR Chambers will continue to build on what is currently existing.

6.2 Intake & Complaint Assessment

ADR Chambers recommends the following process, which has been a successful model for our Integrity Commissioner operations for several years.

ADR Chambers recommends that the Town adopt a Consent and Confidentiality Agreement, which would outline the confidential nature of the process and expectations incumbent upon the complainant. If the Town decides to adopt a Consent and Confidentiality Agreement, ADR Chambers will provide the Town with a draft to review. ADR Chambers also has a Statutory Declaration Form available for the Town to review and adopt for use in conflict of interest investigations.

Complaints can be submitted through the Town Clerk. The Complainant will complete and submit the Integrity Commissioner Request for Inquiry Form (Schedule "A" to the Town's Integrity Commissioner Inquiry Protocol) to the Town Clerk, who will then email it to ADR Chambers. Upon receipt of this form, an Intake Officer at ADR Chambers will open a file, assign the complaint a file number, and record the Complainant's contact

information. The Intake Officer will then send a Consent and Confidentiality Agreement to the Complainant if adopted by the Town. The Consent and Confidentiality Agreement outlines the confidential nature of the process and expectations relating thereto upon the Complainant. The Complainant signs and returns the Consent and Confidentiality Agreement to the Intake Officer.

Mr. Harnick will then examine the complaint to determine whether the complainant has provided all the information necessary to initiate a complaint and whether the Office of the Integrity Commissioner has the jurisdiction to investigate it. If information is missing, the complainant will be instructed to provide the requisite information so the process can continue. Mr. Harnick will investigate only complaints over which he has jurisdiction. Complaints that are abusive, vexatious, frivolous, inapplicable, beyond prescribed time limits or dealt with under alternative legislation (or policies), or otherwise outside of the jurisdiction of the Office of the Integrity Commissioner, will not be investigated.

If the complaint is outside the Integrity Commissioner's jurisdiction, Mr. Harnick will instruct the Intake Officer to advise the Complainant and the Town Clerk of the reasons, and close the file. Otherwise, Mr. Harnick will assess whether the allegations would constitute a breach of the Code of Conduct or the *Municipal Conflict of Interest Act*, if substantiated.

If the allegations could not constitute a breach of the Code of Conduct, then the Office of the Integrity Commissioner will send the Complainant an "Initial View Letter," explaining why an investigation would not be appropriate in the circumstances, and the Office of the Integrity Commissioner will close the file.

If the complaint could constitute a potential breach of the Code of Conduct, the matter will proceed to investigation.

6.3 Investigation, Drafting, and Recommendations

Mr. Harnick will first determine, in consultation with the Town, whether the matter is one that he should investigate personally, or whether investigation by one of the Associate Investigators is preferable. If the Town wants Mr. Harnick to investigate any complaint personally, he will do so.

Mr. Harnick or his designate will then conduct an investigation to determine whether a Member of Council has violated the Code of Conduct, the *Municipal Conflict of Interest Act*, or a municipal protocol, by-law, or policy governing ethical behaviour.

The investigator will invite the Member to respond to the complaint within ten days of the Member's receipt of the request. The Member's response will be sent to the investigator, and then to the Complainant. The Complainant will be given ten days from receipt to submit a reply.

The investigator will then interview the Member, the Complainant, and any other relevant person. The investigator will also request all relevant documents and review the written material.

With the parties' consent, the investigator may explore whether the issue may be resolved by mediation, if appropriate, and can try to mediate a resolution of the issues. All the proposed investigators are trained mediators.

The investigator will draft a report using a template. Each report includes an outline of the original complaint and responses, a review of relevant documents; analysis – including a review of applicable policies, bylaws, and legislation; and a conclusion and recommendation.

In any investigation conducted by one of the Associate Investigators, a Draft Report will be sent to Mr. Harnick for his review and approval. All reports are also subject to the ADR Chambers internal review process. The review process ensures that the conclusions and

any recommendations are supported by the facts and legislation and are appropriate in the circumstances. The internal review process is conducted by an ADR Chambers employee who is a lawyer. The reviewer will provide recommendations to Mr. Harnick, and he will revise the report as he deems appropriate.

The Draft Report will then be sent to the Member and the Complainant for their review and comment; they are given ten days to provide comments.

Mr. Harnick will consider any comments received and finalize the report (the "Final Report"). The Integrity Commissioner Office endeavours to complete all investigations within 90 days of receiving a Complaint Form and Affidavit.

If Mr. Harnick decides that there is insufficient evidence to establish a breach of the Code or an ethical violation, then the Office of the Integrity Commissioner will close the file, notify the parties and the Town Clerk of the closure, and provide reasons. The Office of the Integrity Commissioner may also close a file where the complaint becomes frivolous, abusive, or vexatious.

If Mr. Harnick determines that there has been a violation of the Code of Conduct or the *Municipal Conflict of Interest Act*, he may make a recommendation respecting an appropriate sanction in the Final Report. The Town Clerk distributes the Final Report to Council. It is ultimately the Council's decision whether to impose a sanction based on the recommendation in the Final Report. The Final Report may then be made available to the public (in accordance with the confidentiality obligations).

The area is intentionally left blank.

Sample Timeline for Completing Investigations

The chart below illustrates ADR Chambers' proposed response times for completing Code of Conduct investigations.

Step #	Time from receipt of complaint	Description
1	Day 1	<ul style="list-style-type: none"> The Intake Officer receives the completed Complaint Form and Affidavit from the Town
2	Up to Day 8	<ul style="list-style-type: none"> Within 2 days, the Intake Officer opens the file and forwards the Consent and Confidentiality Agreement ("CCA") (if one is adopted by the Town) to the Complainant for signature. The Complainant has 5 days to return the signed CCA (if one is adopted by the Town) to the Intake Officer The Intake Officer forwards the signed CCA (if one is adopted by the Town) to the Integrity Commissioner
3	Up to Day 18	<ul style="list-style-type: none"> Within 10 days, the Integrity Commissioner determines whether he has jurisdiction to review the complaint and/or whether further information is required in the Complaint Form After determining the Integrity Commissioner has jurisdiction, he either sends the Complainant an Initial View Letter (explaining why an investigation is not appropriate) or starts an investigation
4	Up to Day 28	<ul style="list-style-type: none"> If the complaint proceeds to an investigation, the Intake Officer sends the complaint to the Councillor and invites the Councillor to respond to the allegations The Councillor has 10 days to send a Response to the Intake Officer The Integrity Commissioner may grant the Councillor an extension to provide a Response
5	Up to Day 38	<ul style="list-style-type: none"> After receiving the Response from the Councillor, the Intake Officer forwards it to the Integrity Commissioner The Intake Officer also forwards the Response to the

		<p>Complainant, who has 10 days to send a Reply to the Intake Officer</p> <ul style="list-style-type: none"> • The Integrity Commissioner may grant the Complainant an extension to provide a Reply • The Integrity Commissioner may attempt to settle the complaint at any point
6	Up to Day 63	<ul style="list-style-type: none"> • Once the Intake Officer receives the Reply from the Complainant, the Intake Officer forwards it to the Integrity Commissioner • The Integrity Commissioner conducts and completes the investigation within 25 days • Throughout the investigation, the Integrity Commissioner may continue to explore the possibility of dispute resolution
7	Up to Day 73	<ul style="list-style-type: none"> • The Integrity Commissioner has 10 days to prepare a Draft Report
8	Up to Day 78	<ul style="list-style-type: none"> • After the Intake Officer receives the Draft Report from the Integrity Commissioner, ADR Chambers has 5 days to review the Draft Report • The Intake Officer sends any suggested revisions to the Integrity Commissioner for consideration • The Integrity Commissioner finalizes the Draft Report
9	Up to Day 88	<ul style="list-style-type: none"> • The Intake Officer sends the Draft Report to the Councillor and the Complainant for comment • The Councillor and the Complainant have 10 days to provide any comments to the Intake Officer

10	Up to Day 90	<ul style="list-style-type: none"> • The Intake Officer receives any comments on the Draft Report from the Councillor and/or the Complainant and forwards the comments to the Integrity Commissioner • The Integrity Commissioner prepares the Final Report • The Intake Officer sends the Final Report to the Complainant and the Councillor • If there has been a violation of the Code of Conduct, the Integrity Commissioner will make a recommendation to Council for an appropriate sanction in the Final Report • The Intake Officer will send the Final Report the Town Clerk, who can distribute it to Council • Council may decide whether to impose a sanction based on the recommendation in the Final Report • The Final Report may then be made available to the public (while maintaining the confidentiality obligations as set out in the Bill 68 amendments) • If the Integrity Commissioner determines that there is insufficient evidence to conclude there was a breach of the Code or an ethical violation, then the Intake Officer will close the file, notify the parties and the Town Clerk of the closure, and provide reasons.
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6.4 Advisory Duties

Upon receipt of a written request from a Member, Mr. Harnick will provide written advice respecting the recommendations and interpretation of ethical obligations and responsibilities that should be included in the Code of Conduct, either confidentially to the Member or openly to all Members. Such advice shall be provided within 10 days of Mr. Harnick's receipt of the request.

To help reduce prospective violations of the Code of Conduct, the Integrity Commissioner will provide written advice to Members of Council and local boards regarding their obligations under the Code of Conduct and municipal rules governing their ethical behaviour.

Upon receipt of a written advice request from a Councillor, the Integrity Commissioner will provide written advice concerning their ethical obligations and responsibilities. The Integrity Commissioner will usually provide advice by email within ten days of receiving the request. The Integrity Commissioner will also respond to questions from Councillors respecting potential conflicts under the *Municipal Conflict of Interest Act*.

As one example, a municipal councillor asked the Integrity Commissioner if participating in a charitable organization's event would constitute a conflict under the *Municipal Conflict of Interest Act*. The Integrity Commissioner interviewed the Councillor, reviewed the Code of Conduct and *Municipal Conflict of Interest Act*, considered the participation the Councillor was contemplating and concluded that the Councillor's participation would not breach the *Municipal Conflict of Interest Act* or the Code of Conduct.

The Integrity Commissioner will endeavour to provide consistent advice on requests for questions involving similar issues. However, each case is considered on its own merits and particulars. The Integrity Commissioner will consider all the facts and documentation presented for the specific advice request. The Integrity Commissioner will maintain the confidentiality of all requests for advice.

6.5 Educational Duties

Upon request of Council, Mr. Harnick will provide training and reference materials regarding the role of the Integrity Commissioner, the obligations and responsibilities of Members under the Code of Conduct, and any other procedures, rules and policies governing the matters covered by the Code. He may also prepare or edit content for the Town's website or for other materials for public distribution to aid in the understanding of the role of the Integrity Commissioner and the Code.

6.6 Reporting Duties

The Code of Conduct is a living document, and Mr. Harnick will prepare and deliver an annual report to Council containing a summary of his activities and provide advice and recommendations to Council regarding amendments to the Code and any other procedures or policies related to the rules in the Code.

6.7 Requests from the Public

The Integrity Commissioner responds to requests from members of the public (including requests for investigation) regarding the Code of Conduct. The Intake Officer forwards all requests from members of the public to the Integrity Commissioner and will inform the Town Clerk. The timing of the response of the Integrity Commissioner depends on the nature of the request. The Integrity Commissioner endeavours to respond to all requests from the public within ten days.

7. Quality and Cost-effectiveness of the Procedures and Work

While the Integrity Commissioner maintains responsibility for all services provided to the Town, ADR Chambers has administrative staff who perform a significant amount of work with respect to complaints, in order to reduce the time (and cost) spent by the Integrity

Commissioner. For example, all inquiries and complaints are channelled to the Intake Officer, who reviews complaints to ensure that the Integrity Commissioner has jurisdiction and that complaints are not frivolous. The Intake Officer also prepares the Consent and Confidentiality Agreement that is forwarded to the complainant by the administrative staff. The Intake Officer acts as the main liaison between the Town and the Office of the Integrity Commissioner. The Intake Officer is responsible for the internal review process. This process ensures that all letters, agreements and reports that are authored by the Integrity Commissioner are edited and reviewed before finalization.

The Coordinator keeps the Town's Clerk well informed about the status of open investigations, arranges meetings, training sessions, and other customized services required by the Town (as they pertain to the role of the Office of the Integrity Commissioner). Also, the Coordinator is responsible for opening and organizing (by date and type) received files from the Town's Clerk.

ADR Chambers has proposed experienced investigators who can conduct investigations at lower hourly rates than those charged by the Integrity Commissioner. Where appropriate, the other investigators will conduct investigations and draft the report, which is reviewed by the Integrity Commissioner before it is sent to the complainant and the member of Council for review and comment.

8. Signed Compliance Agreement

Please refer to Schedule A – Compliance Agreement.

9. Timely Performance

The following examples demonstrate Mr. Harnick's ability to provide timely advice to municipalities on subjects such as the application of a Code of Conduct and the *Municipal Conflict of Interest Act*.

Example 1

Mr. Harnick was asked to advise a municipality as to whether a section of the *Municipal Conflict of Interest Act* applied to a committee. He concluded that the Act did apply to govern the behavior of members of the committee. Accordingly, where a member of Council had a pecuniary interest and was present at a committee meeting, that member was required to follow the disclosure requirements set out in the *Municipal Conflict of Interest Act* and disclose the conflict, not take part in discussion or vote, and not attempt to influence the voting. Mr. Harnick responded in writing to the municipality within two days of the request.

Example 2

Mr. Harnick was called upon to determine whether a gift received by a member of Council violated the municipality's Code of Conduct. He conducted an investigation and determined that the value of the gift, a bottle of wine sent by a developer, exceeded the limit prescribed by the municipality and advised that the councillor should return the gift. Mr. Harnick responded in writing to the municipality within three days of the request.

10. Costing Proposal

ADR Chambers' bid prices are herein listed in Canadian dollars and are inclusive of all applicable duties and taxes, except for Harmonized Sales Tax (HST).

ADR Chambers' fees for Integrity Commissioner services are as follows:

Annual Retainer Fee

\$ 500 per year + HST charged annually upfront. This includes the work of the Intake Officer and ADR Chambers administrative staff.

Hourly Rates

\$350 + HST per hour for the Integrity Commissioner; and

\$275 + HST per hour each for associate investigators.

Expenses and Disbursements:

Rate of \$0.60/km for travel by car or other travel and accommodation (if necessary) billed at cost.

11. References

Reference 1

Name: Regional Municipality of Niagara
Address: 1815 Sir Isaac Brock Way, Thorold, ON, L2V 4T7
Contact Person: Ann-Marie Norio, Regional Clerk
Telephone: (905) 980-6000 ext. 3220
Email: ann-marie.norio@niagararegion.ca
Scope of Service: Integrity Commissioner services
Client since: 2017

Reference 2

Name: City of Kitchener
Address: 200 King St W, Kitchener, ON N2G 4G7
Contact Person: Christine Tarling; City Clerk
Telephone: (519) 41-2200 ext. 7809

Email: christine.tarling@kitchener.ca
Scope of Service: Integrity Commissioner services
Client since: 2016

Reference 3

Name: Town of Grimsby
Address: 160 Livingston Avenue, P.O Box 159, Grimsby, ON L3M 4G3
Contact Person: Sarah Kim; Town Clerk
Telephone: (905) 309 - 2015
Email: skim@grimsby.ca
Scope of Service: Integrity Commissioner services
Client since: May 2019

12. Schedule A - Compliance Agreement

**ACCESSIBILITY REGULATIONS FOR CONTRACTED SERVICES
CONFIRMATION FORM**

If the nature of your business with the Township of Kirkland Lake and Larder Lake creates the opportunity that any of your staff, contractors or any others associated with you would interact with the public on behalf of the Municipalities it is necessary that the Municipalities ensure those providing service on our behalf have received the Customer Service Training in order that we retain our compliance with the requirements of the Accessibility for Ontarians with Disabilities Act 2005. Please sign below to ensure you are the person able to bind your company and ensure all those in your employ have received the CUSTOMER SERVICE STANDARD TRAINING of the ACCESSIBILITY FOR ONTARIANS WITH DISABILITIES ACT 2005.

If you have any questions please contact Meagan Elliott, Town Clerk 705-567-9361 ex 238 or Meagan.elliott@tkl.ca
Please enclose this form with your bid submission.

Company Name AOR Chambers
Signature of Authorized Individual M. Botta
Position COO

13. Schedule B - Biographies and Resumes

CHARLES A. HARNICK



Mr. Harnick has practiced law for over 40 years, and was an elected member of the Ontario Legislature from 1990 to 1999. During that time, he served as the Attorney General of Ontario and the Minister Responsible for Native Affairs from 1995 to 1999.

He was a member of the committee that wrote the *Members Integrity Act, 1994*, which is the foundational conflict of interest legislation applicable to members of the Ontario Legislature.

Mr. Harnick is the Integrity Commissioner for the City of Kawartha Lakes, the Town of Grimsby, the Municipality of Leamington, and Haldimand County. He also has experience conducting Code of Conduct investigations with the ADR Chambers Office of the Integrity Commissioner for other municipalities. He has used his knowledge of municipal law and governance to conduct Codes of Conduct educational sessions for municipalities.

Mr. Harnick has acted as counsel in diverse municipal matters. In his capacity as a Principal of Counsel Public Affairs, clients engage Mr. Harnick to resolve disputes respecting development charges, zoning changes, and permits. A law firm specializing in municipal and planning law routinely retains Mr. Harnick for government relations work, which requires Mr. Harnick's advanced understanding of municipal legislation, governance, and the conduct of elected officials.

Mr. Harnick has advanced mediation and adjudication skills, and has conducted several hundred mediations. He is a member of ADR Chambers' panel of neutrals, and is the Senior Adjudicator for the General Insurance Ombuds Service.

In his role as the Attorney General, Mr. Harnick played a pivotal role in orchestrating the creation of the Ontario Mandatory Mediation Program and Legal Aid Ontario. He was also a member of the committee chaired by former Chief Justice Gregory Evans that wrote the *Members Integrity Act, 1994* for the Ontario Legislature. As the Minister Responsible for Native Affairs, Mr. Harnick oversaw the conclusion of five major land claims. In complex issues like land claims, the negotiation style must be collaborative and the parties must trust one another. During the six-year Coldwater-Narrows land claim negotiation, Mr. Harnick built relationships and developed trust so the parties could find solutions while working collaboratively. The land claim settled, in part, because of the level of trust the parties had for Mr. Harnick.

DEBORAH ANSHELL



Ms. Anshell has over 20 years of experience as a lawyer, and is a Deputy Judge of the Superior Court of Justice, Small Claims Court (Toronto), where she conducts small claims trials and presides at settlement conferences. She is the Integrity Commissioner for the City of Waterloo, the City of Timmins and the Town of Georgina.

As Integrity Commissioner, Ms. Anshell has conducted investigations into several Code of Conduct and *Municipal Conflict of Interest Act* complaints since 2016. She has also used her knowledge of municipal law and governance to draft revisions to Codes of Conduct and investigative procedures.

Ms. Anshell is a member of the Hearing Committee for the Investment Industry Regulatory Organization of Canada (“IIROC”), where she conducts disciplinary proceedings to determine whether there have been breaches of the IIROC Rules or securities legislation. She is also a member of the Condominium Authority Tribunal, where she conducts online mediations and arbitrations to resolve condominium-related disputes in Ontario.

Ms. Anshell has extensive mediation and arbitration experience in insurance, real estate, employment, health, and corporate/commercial matters. She has facilitated the settlement of hundreds of complex civil cases, and was a Roster Mediator for the Ontario Mandatory Mediation Program from its inception. Ms. Anshell is a frequent speaker and writer for the Ontario Bar Association and the Canadian Institute. She holds a Master of Laws Degree in Alternative Dispute Resolution from Osgoode Hall Law School.

MARVIN J. HUBERMAN



Mr. Huberman has over 30 years of experience as a practicing lawyer. He is accredited as a Chartered Arbitrator by the ADR Institute of Canada (the highest designation in the field in Canada), has been certified by the Law Society of Ontario as a Specialist in Civil Litigation, and is a Fellow of the Chartered Institute of Arbitrators (FCIArb).

Mr. Huberman is the Integrity Commissioner for the City of Brantford, and has conducted investigations as an Associate Investigator for several other municipalities within the ADR Chambers Office of the Integrity Commissioner. He recently investigated the hiring of the Chief Administrative Officer of a Regional Municipality. Mr. Huberman is also an investigator for the ADR Chambers Banking Ombuds Office and the ADR Chambers Ombuds Office, providing municipal ombudsman services.

Mr. Huberman is a former Vice-Chair of the Ontario Commercial Registration Appeal Tribunal, and he has litigated as counsel, mediated, and arbitrated hundreds of disputes involving corporate/commercial, construction, workplace matters – including violence, harassment, discrimination, labour relations, and wrongful dismissal. He was also a member of the Civil Rules Committee, appointed by the Chief Justice.

Mr. Huberman has received several awards of distinction in the legal and ADR industries. In 2017, he received *Corporate International Magazine's* Global Award as Mediator of the Year in Canada for Partnership Disputes, and *The Lawyer International's* Global Award for Law Firm of the Year for Commercial Arbitration in Canada. In 2016, he received *M&A Today's* Global Award for Law Firm of the Year for Commercial Arbitration in Canada. Mr. Huberman has also received the Dedicated Professional Service Award from the Canadian Bar Association, and is the current president of the ADR Institute of Ontario.

Mr. Huberman was formerly a Civil Litigation and Advocacy instructor in the Law Society of Upper Canada's Bar Admission course, and an Adjunct Professor at Osgoode Hall Law School. He has also served as a mediation coach at Osgoode Hall Law School, and has a Master in Laws degree in Alternative Dispute Resolution.

CHARLES A. HARNICK



EDUCATION

Called to the Ontario Bar (1977)

LL.B.,
University of Windsor (1975)

Bachelor of Arts,
York University (1972)

PROFESSIONAL EXPERIENCE

Integrity Commissioner

The Municipality of Leamington, The City of Kawartha Lakes, The Town of Grimsby, and Haldimand County | 2019 – Present

- Investigates Code of Conduct Complaints.
- Conducts education sessions.
- Provides advice.
- Prepares annual reports.

Mediator, Arbitrator, and Investigator

ADR Chambers Inc. | 2019 – Present
YorkStreet Dispute Resolution Group Inc. | 2001 - Present

- Mediates insurance matters – conducted several hundred mediations in personal injury, life and disability, medical malpractice, product and professional liability, and property and casualty matters.
- Also mediates employment, commercial, agricultural, First Nations, health industry, and disputes involving governments.
- Instrumental as mediator in bringing major legal organizations together with paralegal organizations, culminating in the legislation that made the Law Society of Ontario the regulator of paralegal activities in Ontario.
- Responsible for the creation of the Ontario Mandatory Mediation Program and Legal Aid Ontario.

Chief Federal Land Claim Negotiator

Government of Canada | 2000 - 2006

- Assisted in numerous land claims, including the Coldwater land claim.

MPP for Willowdale (1990 – 1999)

Minister Responsible for Native Nations Affairs (1995 – 1999)

Attorney General of Ontario (1995 – 1999)

PROFESSIONAL EXPERIENCE CONT'D

Senior Adjudicative Officer

General Insurance Ombuds Service | 2011 – Present

- Independent service that adjudicates disputes between insurance companies and their consumers.

Principal and Founding Partner

Counsel Public Affairs | 2001 - Present

- One of Ontario's pre-eminent government relations practices.

BOARD POSITIONS

- Ex-Officio Bencher – Law Society of Ontario (1995 – present)
- Board Member of the Board – Ornge (Ontario's emergency air and land ambulance service) (2012 – present)
- Vice Chairman – St. John's Rehabilitation Hospital (1999 – 2008)
- Former Director – Goldstone Resources (a company specializing in mining exploration and development)

AWARDS AND ACHIEVEMENTS

- Law Society Medal Recipient (2005)
- Appointed Queen's Counsel (1992)
- Certified Specialist in Civil Litigation (1991)

RELEVANT EXPERIENCE IN THE SIX DISCIPLINE AREAS

1. Advanced mediation skills

As the Minister Responsible for Native Affairs, Mr. Harnick oversaw the conclusion of five major land claims. During the six-year Coldwater-Narrows land claim negotiation, Mr. Harnick built relationships and developed trust so the parties could find solutions while working collaboratively.

2. Excellent oral and written communication skills

Mr. Harnick has made presentations to the legislative assembly, legislative committees, senate committee, municipal councils, and clients. Mr. Harnick has been a guest speaker and panellist at numerous public events. He has made presentations at continuing legal education conferences sponsored by the Law Society of Ontario. He has been a guest lecturer at Osgoode Hall Law School for the Certificate Program in Negotiation Training. Mr. Harnick has written numerous investigation reports.

3. Conducting investigations

As the Integrity Commissioner for the Municipality of Leamington, the City of Kawartha Lakes, the Town of Grimsby, and Haldimand County and an Associate Investigator for other municipalities, Mr. Harnick has experience conducting investigations into Code of Conduct complaints.

4. Adjudicative experience

As an Integrity Commissioner and the Senior Adjudicator of the General Insurance Ombuds Service, Mr. Harnick has adjudicative experience. He reviews submissions to determine the facts, and then provides recommendations and renders non-binding decisions.

5. Background in law or judiciary experience

Having practiced law for over 40 years, Mr. Harnick has an extensive background in law. Mr. Harnick was an elected member of the Ontario Legislature from 1990 to 1999 and served as the Attorney General of Ontario and the Minister Responsible for Native Affairs from 1995 to 1999.

He was a member of the committee chaired by former Chief Justice Gregory Evans that wrote the Members Integrity Act, 1994 for the Ontario Legislature.

6. Knowledge of municipal government and municipal law, including conflict of interest legislation.

In addition to his Integrity Commissioner work, he has acted as counsel in numerous municipal matters. In his capacity as a Principal of Counsel Public Affairs, clients engaged Mr. Harnick to resolve disputes concerning development charges, zoning changes, and permits. A law firm specializing in municipal and planning law routinely retains Mr. Harnick for government relations work, a position that requires Mr. Harnick to understand and interpret legislation relating to municipal government, municipal governance, and the conduct of elected officials.

DEBORAH C. ANSHELL



EDUCATION

LL.M. (Alternative Dispute Resolution),
Osgoode Hall Law School of York University (1998)

LL.B., Faculty of Law,
University of Toronto (1982)

Political Science,
University of Calgary (1979)

Admitted to the Law Societies of Alberta (1983),
Ontario (1987), and British Columbia (1993)

PROFESSIONAL EXPERIENCE

Integrity Commissioner

The City of Timmins, The City of Waterloo, The Town of
Georgina | 2016 - Present

- Investigates into Code of Conduct Complaints.
- Conducts education sessions.
- Provides advice.
- Prepares annual reports.

Mediator and Arbitrator, Civil and Commercial Dispute Resolution

ADR Chambers Inc. | 2008 - Present

- Mediates and arbitrates a variety of civil cases, for both small and large numbers of parties.
- Umpire under the *Insurance Act*.
- Arbitrates for Tarion Warranty Corporation, Builder Arbitration Forum.

Investigator

ADR Chambers Banking Ombuds Office | 2009 - Present

- Conducts investigations, and makes determinations regarding whether bank customers were treated fairly in accordance with bank policies and general principles of good financial services.
- Review decisions of RBC, TD, and BNS Ombudsman Offices when bank customers are dissatisfied with those Offices' outcomes.

Deputy Judge

Superior Court of Justice, Small Claims Court, Toronto |
2006 – Present

- Conducts Small Claims trials and presides at Settlement Conferences.

Member, Hearing Committee

Investment Industry Regulatory Organization of Canada
("IIROC") | 2018 - Present

- Conducts disciplinary hearings respecting allegations of breaches of the IIROC Rules, securities legislation, or other requirements relating to trading or advising in respect of securities, commodities contracts, or derivatives

PROFESSIONAL EXPERIENCE CONT'D

Member

Condominium Authority Tribunal | 2017 - Present

- Conduct online mediations and arbitrations relating to condominium-related disputes in Ontario.

Assistant General Counsel

Transamerica Life Canada | 2008 - 2012

- Drafted, interpreted, and revised commercial and policy contracts.
- Researched and drafted legal memoranda, and provided legal advice to various organizational departments.

Claims Counsel

Lawyers' Professional Indemnity Company | 2006 - 2008

- Investigated, evaluated, and resolved errors and omissions claims against lawyers.

Mediator, Civil and Commercial Dispute Resolution

Private Mediation Practice, Toronto | 2002 - 2006

- Facilitated settlement of complex civil cases, including insurance claims (disability, life, subrogation, occupiers' liability, fidelity bonds, motor vehicle, property and casualty), employment, insolvency, and corporate/commercial litigation.

Assistant Vice-President and Senior Counsel (1997 – 2002)

Assistant Vice-President and Counsel (1994 – 1997)

Manulife Financial | 1994 - 2002

- Administered, controlled, and directed in-house counsel nationwide.
- Ensured cost-effective and efficient control of several hundred insurance litigation files in three provincial jurisdictions.
- Established procedures and guidelines for handling of litigation files.
- Liaised with Manulife Financial senior management.
- Recruited, managed, and trained legal staff.

Associate Counsel

Confederation Life Insurance Company (subsequently acquired by Manulife Financial) | 1989 - 1994

- Litigation practice in 14-lawyer full-service legal department, including insurance litigation, complex commercial/corporate matters, foreclosure actions, construction lien cases, and employment law.

PROFESSIONAL EXPERIENCE CONT'D

Associate

Gluckstein Neinstein, Barristers-at-Law, Toronto | 1988 – 1989

- Responsible for full range of personal injury cases.
- Completed all aspects of discovery, drafting and argument for motions practice, trial preparation, appellate factum writing and oral argument, and pre-trial negotiations.
- Appeared before the Workers' Compensation Appeals Tribunal.

Associate

Dudelzak & Landry, Barristers & Solicitors, Calgary | 1982 - 1988

- Articled and practiced for five years as a litigation lawyer – including commercial litigation, insolvency, foreclosure, personal injury, security enforcement, employment and labour law.

ASSOCIATIONS AND ACTIVITIES

- *Ombuds*, Toronto CREW Mentorship Program (2011 – 2019)
- *Campaign Cabinet*, The Spirit of Hope Benefit, Friends of Simon Wiesenthal Center for Holocaust Studies (2008 – 2019)
- *Judge*, The Canadian Client Consultation Competition (2017)
- *Board Member*, Beth Torah Congregation (2010 – 2016)
- *Member of Executive*, *Alternative Dispute Resolution Section*, Ontario Bar

RELEVANT EXPERIENCE IN THE SIX DISCIPLINE AREAS

1. Advanced mediation skills

Ms. Anshell has extensive mediation experience in insurance (disability, life, subrogation, occupier's liability, fidelity bonds, motor vehicle, property and casualty, accident benefits, professional negligence), real estate, employment, health, and corporate/commercial matters. Since 2002, Ms. Anshell has practiced mediation and facilitated the settlement of hundreds of complex civil cases in a variety of subject matters. She was a Roster Mediator for the Ontario Mandatory Mediation Program from its inception.

2. Excellent oral and written communication skills

Ms. Anshell is a frequent speaker and writer on mediation and litigation for the Canadian Institute and the Ontario Bar Association.

3. Conducting investigations

As the Integrity Commissioner for the City of Waterloo, the Town of Georgina, and the City of Timmins and an Associate Investigator for other municipalities, Ms. Anshell has conducted investigations into Code of Conduct Complaints and into complaints under Ontario's *Municipal Conflict of Interest Act*. She is also an investigator with the ADR Chambers Ombuds Office and has completed investigations for municipal clients.

4. Adjudicative experience

Ms. Anschell has adjudicative experience not only as an Integrity Commissioner, but also as a Deputy Judge of the Superior Court of Justice, Small Claims Court, where she conducts small claims trials and presides at settlement conferences. In addition, Ms. Anschell is a member of the Hearing Committee for the Investment Industry Regulatory Organization of Canada (“IIROC”), and conducts disciplinary proceedings to determine whether there have been breaches of the IIROC Rules, securities legislation, or other requirements relating to trading or advising in respect of securities, commodities contracts, or derivatives.

5. Background in law or judiciary experience

Ms. Anschell has an extensive background in law that includes judicial experience. She has over 20 years of experience as a lawyer and is a Deputy Judge of the Superior Court of Justice, Small Claims Court, Toronto. Ms. Anschell conducts small claims trials and presides at settlement conferences. She holds a Master of Laws Degree in Alternative Dispute Resolution from Osgoode Hall Law School.

6. Knowledge of municipal government and municipal law, including conflict of interest legislation

As part of her Integrity Commissioner work, Ms. Anschell has used her knowledge of municipal government and municipal law to draft new Codes of Conduct and procedures for municipalities.

MARVIN J. HUBERMAN



EDUCATION

LL.M. (Alternative Dispute Resolution),
Osgoode Hall Law School of York University (1997)

LL.B., Faculty of Law,
University of British Columbia (1982)

Certified Specialist in Civil Litigation,
Law Society of Upper Canada (2005)

Arbitration Certification,
University of Toronto (1996)

Mediation Certification,
Harvard Law School (1994)

PROFESSIONAL EXPERIENCE

Integrity Commissioner

The City of Brantford | 2020 – Present

- Conducts investigations into Code of Conduct Complaints.

Barrister, Mediator, Arbitrator, Investigator

ADR Chambers Inc. | 2007 – Present

- Conducts workplace investigations, and investigations for the ADR Chambers Banking Ombuds Office and ADR Chambers Ombuds Office.

Senior Litigation Counsel

Teplitsky, Colson LLP Barristers | 2005

Senior Counsel, Litigation Group

Ogilvy Renault, LLP | 2002 - 2005

Independent Senior Litigation Counsel | 1999 – 2001

Vice-Chair

Commercial Registration Appeal Tribunal | 1997 – 2000

- Conducted hearings, mediations, and reconsiderations.
- Made rulings that are clear, fair, and reflect the best interests and positions of all parties involved.
- Conducted pre-hearings to determine the important issues and ensure that the hearing will be effective and efficient.

Partner

Morris Rose Ledgett, Barristers & Solicitors | 1988 – 1999

Associate, Litigation Group

Huberman, Cristall & Hutchinson, Barristers & Solicitors
(Vancouver) | 1983 – 1988

AWARDS AND ACHIEVEMENTS

- *Corporate International Magazine Global Award: Partnership Disputes Mediator of the Year in Canada* (2017)
- *The Lawyer International – Global Award – Law Firm of the Year – Commercial Arbitration – Canada* (2017)
- *M&A Today – Global Award – Law Firm of the Year – Commercial Arbitration – Canada* (2016)
- *Star Award – ADR Institute of Ontario* (2019)

ASSOCIATIONS AND ACTIVITIES

- Chartered Arbitrator (C. Arb) – ADR Institute of Canada
- Fellow of the Chartered Institute of Arbitrators (FCI Arb)
- Fellow of the Asian Institute of Alternate Dispute Resolution (FAIADR)
- Member, Executive Committee – Toronto Commercial Arbitration Society
- President – ADR Institute of Ontario (ADRIO) (2018 – Present)
- Former Chair of the IP/Technology Section; Current Chair of the Construction Adjudication Section – ADR Institute of Ontario
- National Legal Counsel, and Member of National Administrative Board and Financial Management Cabinet – B'nai Brith Canada
- Founding Member – Chief Justice of Ontario's Advisory Committee on Professionalism
- Chair of the Governance Committee – The British Canadian Chamber of Trade and Commerce (BCCTC)
- Former Chair, National and Ontario Civil Litigation Sections – Canadian Bar Association
- Member – Civil Rules Committee
- Former Member – Competition Law and Policy Task Force of the Canadian Chamber of Commerce

INSTRUCTOR/SPEAKER POSITIONS

Speaker – Number conferences on current and evolving legal issues (1988 – Present)

Instructor (Intensive Trial Advocacy Course) – Osgoode Hall Law School (2010 – 2017)

Adjunct Professor of Law – Osgoode Hall Law School of York University (1997 – 2001)

Bar Admission Course Instructor – Law Society of Upper Canada, Civil Litigation and Advocacy (1988 – 1997)

RELEVANT EXPERIENCE IN THE SIX DISCIPLINE AREAS

1. Advanced mediation skills

Mr. Huberman has advanced mediation skills. He has served as a mediation coach at Osgood Hall Law School. He was the recipient of the 2017 Corporate International Magazine Global Award: Partnership Disputes Mediator of the Year in Canada.

2. Excellent oral and written communication skills

As an experienced lawyer, Mr. Huberman developed excellent oral and written communication skills. He has been a speaker at numerous conferences on current and evolving legal issues.

3. Conducting investigations

As the Integrity Commissioner for the City of Brantford and as an Associate Investigator for other municipalities, Mr. Huberman has conducted many investigations. Mr. Huberman is also an investigator for the ADR Chambers Banking Ombuds Office and the ADR Chambers Ombuds Office, providing municipal ombudsman services to a number of Ontario municipalities. He recently investigated the hiring of a Chief Administrative Officer of a Regional Municipality (at the region's request).

4. Adjudicative experience

Mr. Huberman has adjudicative experience as an investigator for ADR Chambers Office of the Integrity Commissioner, the ADR Chambers Banking Ombuds Office and the ADR Chambers Ombuds Office, and as a former Vice-Chair of the Ontario Commercial Registration Appeal Tribunal. With the Ontario Commercial Registration Appeal Tribunal, Mr. Huberman arbitrated hundreds of disputes involving, workplace matters (including violence, harassment, discrimination, and wrongful disclosure), employment disputes, labour relations, and wrongful dismissal.

5. Background in law or judiciary experience

Mr. Huberman has over 30 years of experience as a practicing lawyer. He holds a Master of Laws Degree in Alternative Dispute Resolution from Osgoode Hall Law School. He is accredited as a Chartered Arbitrator (C.Arb.) by the ADR Institute of Canada, and is a Fellow of the Chartered Institute of Arbitrators (FCIArb). He was also a member of the Civil Rules Committee (Comité des règles en matière civile), appointed by the Chief Justice, pursuant to the *Courts of Justice Act* (Ont.).

6. Knowledge of municipal government and municipal law, including conflict of interest legislation

In addition to his Integrity Commissioner work, Mr. Huberman is an investigator for the ADR Chambers Ombuds Office, providing municipal ombudsman services to a number of Ontario municipalities.

RFP 553-20 Integrity Commissioner

	DPRA	ADR Chambers
Staff 1	88	93
Staff 2	67	87
Staff 3	66	87
AVG	73.67	89



POLICY	
Policy Number:	Date Approved:
Department: Public Works	Date Reviewed:
Sanitary Sewer Blockage	

1. Policy Statement

The primary responsibility to resolve a sanitary sewer lateral blockage rests with the property owner. If a blockage occurs, the property owner should hire a certified plumber to clear the blockage. If there is uncertainty as to where the blockage is, Town staff will attend the site to investigate and assist with clearing the blockage. This will support the determination of where and why the blockage occurred and whether the property owner or the Town is responsible for the costs to clear the blockage. If the blockage is on the property owner’s property, the costs will be the responsibility of the property owner. If the blockage is determined to be on the Town’s property and the property owner has not contributed to the cause of the blockage by putting items and/or substances into the sewer that are prohibited, the Town will be responsible for the costs to clear the blockage.

No person shall discharge and/or place prohibited substances into the sanitary sewer system.

2. Purpose

The purpose of this policy is to interpret and communicate the responsibilities for the Town of Kirkland Lake, plumbing contractors and property owners in regards to Sewer Lateral Blockage Clearing and the obligation to call Town of Kirkland Lake staff to deal with sanitary sewer lateral blockages when necessary.

3. Scope

This policy applies to the owner and/or tenant of any property connected to the Town of Kirkland Lake Sanitary Sewer System and all private plumbers engaged to remove blockages within the sanitary sewer system. The owner is responsible for the clearing of any blockage anywhere on their property within the sanitary sewer lateral connection and all costs related to the inspection, clearing and associated activities.

4. Definitions

Joint Connection (“Y”) – shall be a sewer lateral connection on the Town’s right-of-way which accepts storm or sanitary flows from more than one private property.

Owner – means the legal Owner of the private property where a sewer blockage occurs.

Private Property – shall mean all property outside the legal limits of the Town’s right-of-way except Town owned land.

Prohibited Substances - shall mean any liquid or solid not permitted in the definition of black water, which means, waste water from toilets and/or grey water, which means, relatively clean waste water from baths, sinks, washing machines, and other kitchen appliances.

Sanitary Sewer Lateral – a sanitary sewer lateral is a section of the sewer that connects the property owners building to the Municipality’s main sewer. This permits the discharge of all wastewater from private property.

Sewer Lateral Inspection – a sewer lateral inspection may include the use of closed circuit TV (CCTV) to determine the condition and location of blockage or defect.

Town – means the Corporation of the Town of Kirkland Lake.

Town Right-of-Way – shall mean the entire street allowance dedicated as public highway, including the traveled portion of the roadway, sidewalk and boulevard area, extending from property line to property line.

5. Policy & Procedures

Trouble shooting for blockage and collapse – the first indicator of a blockage or collapse will result in sewage coming up through a basement floor drain.

Sewer Blockage – The Town’s policy regarding sanitary sewer lateral blockages states the property owner is responsible for the lateral from the building to the Town’s main sewer with limited exceptions, such as;

- a. When it can be proven that there are tree roots from a municipal tree causing the blockage,
- b. Sewer pipe is broken/collapsed on the Town’s right-of-way, or
- c. If there is a joint connection at the property line.

The property owner is responsible for retaining a certified plumber to determine the extent of the blockage. The Public Works Department must be notified if there is a discrepancy so that staff can confirm that the collection main is operating properly. Environmentally sensitive materials should not be poured down the drain, on the ground or into the sewer.

The Town will only assume limited responsibility for reimbursement under the following conditions.

- a. The record of camera inspection confirms the blockage is a result of the Town's blocked sewage infrastructure (i.e. broken and/or collapsed pipe) within the sanitary sewer lateral on the Town's right-of-way.
- b. The blockage is not a result of accumulated household kitchen grease, food waste or solids not permitted in the drain, or
- c. Tree roots that have infiltrated into the sanitary sewer lateral from private and/or neighbouring properties.

It should be clear that just because a blockage is created on Municipal property, it does not necessarily mean that the Town will pay the cost to resolve the problem.

There are several circumstances that cause a sewage blockage/backup including, but not limited to the following:

- a. Residents pouring household kitchen grease down the drains, which gradually builds up until it blocks the pipe. Only toilet paper should be flushed into the sanitary sewer system,
- b. Blockage within the sanitary sewer lateral due to age, deterioration, roots, settlement or objects too large have been inserted into the drain,
- c. Blockage in the collection main or manhole that requires cleaning by Town personnel, and/or
- d. Surcharging in the collection main due to abnormally high flows and/or heavy rainfall.

The property owner is responsible for the removal of blockages within the entire length of the sanitary sewer lateral, unless there is a joint connection at the property line. The rodding service is available from local qualified plumbing contractors. A proper clean out must be available to insert the cleaning rods and/or a toilet has to be removed by the plumber.

If the Town representative determines that the backup was caused by a problem with the sanitary sewer lateral pipe between the property line and sewer main due to pipe defect (i.e. broken/collapsed pipe), the rodding fee may be reimbursed.

The Town will query the owner if previous sewer blockage had been experienced and review the Town's records for details and the nature of any previous blockage.

It is sometimes necessary for Public Works to carry out a closed circuit camera inspection of the service line to determine the nature of the blockage, particularly if there is a prior history of sewer backups.

If the problem is found to be a pipe defect on the private side of the property line, the owner shall be responsible for the repair. If the problem is on the Town side due to roots, collapse or frozen, Public Works will carry out the repairs at the Town's cost.

In circumstances where infrastructure has not been installed in accordance with design standards, such as shallow installation conditions due to bedrock that promote the freezing of pipes, the Director of Public Works shall account for these circumstances when opportunizing costs. For clarity, in a circumstance where the blockage has been caused by ground conditions and the property owner has not contributed to the sewer blockage in any way, the Town of Kirkland Lake shall be responsible for the costs to remove the frozen blockage in accordance with all other provisions of this policy.

Should Public Works receive an after-hours call with regards to a blockage in a sanitary sewer lateral, the following procedure shall be followed:

- a. The Supervisor during regular business hours or the on-call employee after hours shall contact the property owner and explain that they must hire a certified plumber to clear the blockage and explain that after the blockage is cleared a video inspection of the sanitary sewer lateral can be arranged with the Public Works Department to help determine the cause, if there is an outstanding issue.
- b. If the camera inspection shows that the problem originated from the Town's sewer main line, the property owner shall be advised that they may submit the plumber's invoice to the Town for reimbursement.
- c. Should the blockage require immediate excavation for clearing, the Supervisor or their designate shall be responsible to call in the required staff and equipment to ensure the necessary work is carried out in a timely manner.
- d. Any work performed by the Town (i.e. blockage removal and/or camera inspection) may be at the owner's expense.

6. Summary

Owner's responsibility

- a. Use the sewer lateral connection in a responsible manner to maximize its life and efficiency.
- b. Clearing and/or inspection of sewer of blocked sewer lateral regardless of location. Where a private sewer lateral connection is repeatedly found to be blocked, the owner shall forthwith undertake such corrective measures as are required.
- c. Refrain from discarding any household kitchen grease, food waste or other solid material into the sanitary sewer lateral.

Town's responsibility

The Town will assume the maintenance responsibility of the sanitary sewer lateral within the Town's right-of-way. The Town will coordinate all activities and will assume all costs associated with the following activities:

- a. The removal of tree roots from the sanitary sewer lateral on the Town's right-of-way.
- b. The replacement of the sanitary sewer lateral on the Town's right-of-way as part of any Town road reconstruction and/or sewer main line replacement program if, to the satisfaction of the Town, such replacement is technically practical and fiscally responsible.
- c. The Town shall not be required to cleanup any sewage or water backup in the basement or other areas of the owner's property.

The owner acknowledges and recognizes that the Town has no prior knowledge of when a sanitary sewer lateral connection will have a blockage and a sewer backup could occur.

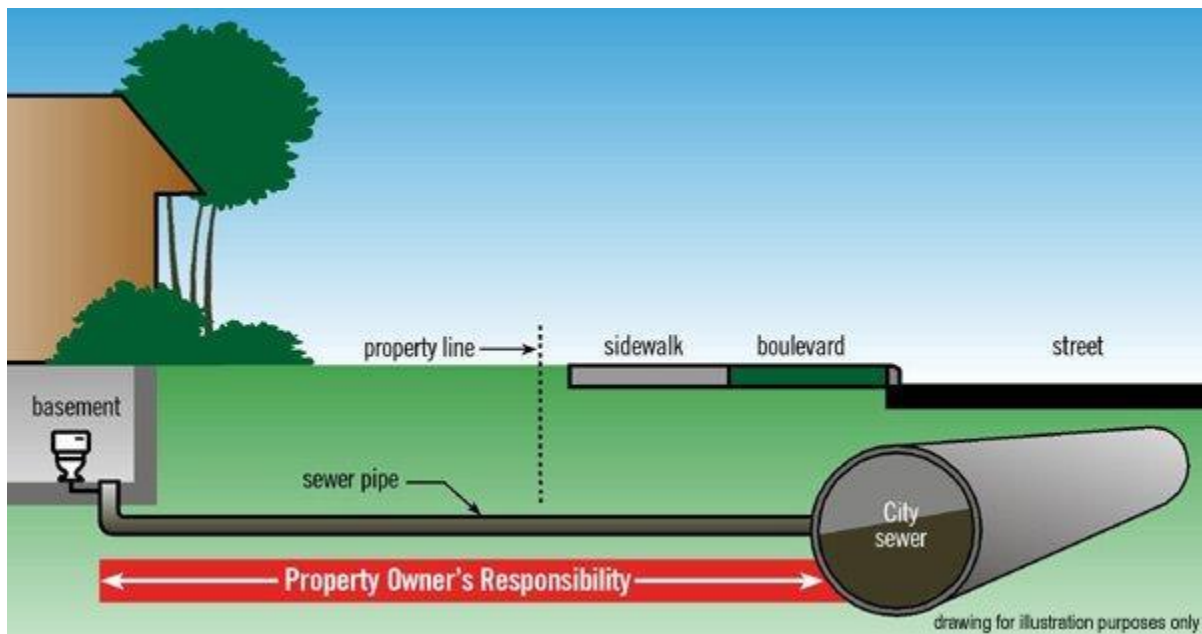
The owner also recognizes that the Town will use its best efforts to restore the sanitary sewer lateral connection to a temporary useable standard as soon as possible, however, if a repair requiring excavation is required, the Town will require a maximum of 5 working days to obtain "emergency" utility locates. After the Town has obtained the utility locates, the repair will be completed expeditiously.

The Public Works Department shall be responsible for the administration and the implementation of this policy.

If there is a dispute between the property owner and the Public Works Department as to the location of the blockage, and it cannot be resolved at the staff level, the Director of Public Works shall resolve the dispute and the decision shall be deemed to be final.

The property owner's home insurance may cover sewer backups. The Town is not responsible for sewer backups unless the Town has been negligent. If the owner believes that is the case, the owner or their insurance company can make a claim.

Please refer to the sanitary sewer system drawing below for illustration purposes only.



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REPORT TO COUNCIL

Meeting Date: 7/14/2020	Report Number: 2020-DEV-032
Presented by: Ashley Bilodeau	Department: Development Services

REPORT TITLE

Leasing of and Encroachments onto Municipal Property Policy - Update

RECOMMENDATION(S)

BE IT RESOLVED THAT Report Number 2020-DEV-032 entitled “**Leasing of and Encroachments onto Municipal Property Policy – Update**”, be received,

THAT Council for the Corporation of the Town of Kirkland Lake hereby repeals the existing Leasing of and Encroachments onto Municipal Property Policy;

THAT Council of the Corporation of the Town of Kirkland Lake hereby approves the new Leasing of and Encroachments onto Municipal Property Policy;

THAT staff be directed to implement, administer and upload the new Leasing of and Encroachments onto Municipal Property Policy to the Town’s website; and

THAT staff circulate the new Policy and potential impacts to existing lease holders and provide options for 2021.

BACKGROUND

The Town of Kirkland Lake has many public properties and unused laneways/road allowances in its possession. Staff often receive requests to purchase or lease these municipal properties, laneways or road allowances to extend yards or park vehicles. Over the years, many residents have encroached and are using municipal property without permission. This imposes liability on the municipality, especially once the Town becomes aware of the use.

The Leasing of and Encroachments onto Municipal Property Policy provides guidance and direction to Council/staff on how to process requests related to the leasing of municipal property. The current policy was approved on May 5, 2015 and has not

been reviewed since it was approved.

R A T I O N A L E

Staff have reviewed the existing policy in comparison to other municipalities and have assessed the provincial legislation and municipal regulations applicable to this Policy. To remain consistent with the Town's governing documents, a review of the Official Plan and Strategic Plan was necessary. These pertinent sections of legislation, regulations and governing documents are summarized within the "Technical Authorities" table in the Policy.

The Strategic Plan identifies a need to find and implement efficiencies. With this priority set, it is recommended that Council develop a policy and set user fees that encourage the sale of unused municipal property, laneways or road allowances rather than offering leases. There is more staff time spent on leases than the sale of property due to annual billing and ongoing compliance inspections. Staff will present the Land Sale Policy to Council for review in the near future, to ensure both policies reflect this overall goal.

The following is a breakdown of the additions to this Policy:

- Streamlined template for all Town-wide policies.
- Addition of "technical authorities" table to ensure compliance with legislation, regulations and governing documents.
- All leases established with private individuals will now be charged municipal tax, as stipulated in the Assessment Act.
- Focus on purchasing vs. leasing, and criteria for when leasing will be considered.
- Roles and responsibilities are identified.
- All leases established with private individuals will now be required to provide proof of insurance, naming the Town as additional insured.

The following is a breakdown of changes to the Policy:

- No leases will be considered on properties with municipal services, gas pipes, hydro and/or telephone lines.
- Change of titles and positions under the Circulation List identified in Schedule "A".

Potential Impact on Existing Leases

This Policy shall apply to all new agreements and expired agreements upon renewal. It is recommended to be consistent with provincial legislation and to reduce liability associated with leasing property, that the following be required from existing lease holders upon renewal in 2021:

- Proof of Insurance.
- If a property is determined to be assessable by MPAC (existing leases on vacant lots), the taxes shall be added to leases for 2021.

In order to implement these improvements, staff will correspond with existing lease holders, giving them the option to proceed with purchasing, continuing with the lease subject to supplying insurance and paying municipal tax, or cancelling the lease entirely.

OTHER ALTERNATIVES CONSIDERED

Council could consider implementing the Policy and leaving existing leases/encroachment agreements as they are currently written; however, staff recommend maintaining consistency with provincial regulations and reducing the liability on the Town.

FINANCIAL CONSIDERATIONS

By implementing this Policy, the Town will recognize additional revenue from charging municipal tax or divesting itself of property surplus to the needs of the Town. There is potential that some lease holders will cancel their leases, reducing revenue for the Town. There is also the possibility that lease holders will choose to proceed with purchasing property, which will result in additional revenue in 2021 and beyond.

RELATIONSHIP TO STRATEGIC PRIORITIES

This Policy supports the following strategic priorities:

- Finding and Implementing Efficiencies;
- Policy Development and Implementation; and
- Aim for Financial Sustainability.

ACCESSIBILITY CONSIDERATIONS

Not applicable.

CONSULTATIONS

Rob Adair, Fire Chief
Meagan Elliott, Clerk
Bonnie Sackrider, Director of Community Services
Keith Gorman, Director of Corporate Services
Michel Riberdy, Director of Public Works
Richard McGee, Chief Administrative Officer

ATTACHMENTS

Attachment 1 – Old Policy
Attachment 2 – New Draft Policy

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POLICY	
Policy Number:	Date Approved: May 5, 2015
Department: Physical Services	Date Reviewed:
LEASING OF AND ENCROACHMENTS ONTO MUNICIPAL PROPERTY	

1. Policy Statement

2. Purpose

3. Scope

4. Definitions

5. Policy & Procedures

LEASING PROCEDURES

Applications are to be submitted to the Department of Physical Services at the Town of Kirkland Lake. Application fees are regulated by the Town’s User Fees By-law, which is subject to annual increases.

All applications are to be circulated to internal departments and, in some cases, external agencies, listed on Schedule “A”. The package circulated shall include:

Mapping of the subject property including location, subdivision plan, survey (if any);

Location of all public and private services;

Lot area; and

Applicants proposed plans for the property.

All municipal lots, which are to be leased or encroached onto, are to be searched with the Master of Titles, Haileybury, Ontario and the cost for such search is to be borne by the prospective lessee.

Council shall discourage leases and encroachments on laneways, road allowances or properties that are encumbered with public services, unless it is necessary under applicable law, such as the Building Code.

Council shall discourage development (buildings, fences, storage, etc.) on leased land. If development is required, development on top of public services or within the angle of repose shall be prohibited.

The application will be circulated to the Tax Department to determine whether there are any tax arrears or outstanding payments that would prohibit the lease/encroachment, as per the *Property Sales and Other Land Uses to Residents in Arrears Policy*.

A discussion at the next in-camera Council meeting is scheduled once all correspondence has been received.

If Council is favourable to the said lease/encroachment, Town staff shall provide public notice, containing the information and format as described on Schedule "B", prior to the presentation of such request to Council by circulating a letter to immediately abutting neighbouring property owners and posting on the Town's website.

If Council is satisfied with the request, a By-law shall be passed by Council, in accordance with the Procedures for Giving Public Notice By-law, giving authority to the mayor and clerk to execute all documents related to the lease or encroachment on the said lands.

Should Council deem it necessary, leases or encroachment agreements shall be registered on title at the expense of the lessee.

Approved By: Council Date: May 5, 2015

Schedule "A"

CIRCULATION LIST – INTERNAL DEPARTMENTS

Supervisor of Building and Planning

Chief Building Official

Engineer

Clerk

Treasurer

Director of Economic Development

Director of Physical Services

Fire Chief

*Chair Person for Joint Health and Safety
Committee*

Tax Collector

Waterworks Foreman

Roads Foreman

Director of Parks and Recreation

Ontario Clean Water Agency

CIRCULATION LIST – EXTERNAL DEPARTMENTS

If utilities are present, please contact the appropriate utility company.

Schedule “B”

The notice of intent to lease/encroach shall include the following information:

The date on which a bylaw to lease/encroach the land will be considered;

Municipal address, legal description and/or location map which the Clerk deems sufficient to identify the lands;

The approximate size of the land by reference to dimensions and/or area, and a brief description of any buildings;

The proposed use of lands and/or reason for the lease/encroachment;

The general identification of the Lessee (e.g. adjacent land owner);

The date on which the land was declared surplus;

Information advising the public when and where additional information may be obtained and/or comments can be submitted for Council’s consideration.

6. Summary

1. APPLICATION

- a) This policy shall apply to the lease of or encroachment onto real property owned by the Corporation.

POLICY	
Policy Number:	Date Approved:
Department: Development Services	Date Reviewed:
LEASING OF AND ENCROACHMENTS ONTO MUNICIPAL PROPERTY	

1. Policy Statement

A policy establishing the framework and procedures for the approval and execution of leases and encroachments on property owned by the Town, for private use.

2. Purpose

The purpose of this policy is to establish guidelines for the leasing of property, when made available for third party use or the recognition of private encroachments onto municipal property.

3. Scope

This policy applies to all new agreements and expired agreements upon renewal, for occupation of Town property.

4. Policy & Procedures

4.1 **Goals:**

- Provide a framework for managing leases and encroachments that is fair, transparent, accountable and sustainable;
- Ensure returns to the Town are fair, reasonable and in the best interest of the municipality;
- Abide by the requirements of the Municipal Act, the Assessment Act, other applicable statutes and Town policies.

4.2 **Table of Authorities:**

Town of Kirkland Lake Strategic Plan	Makes recommendations to review and implement policy. <u>Action Item:</u> Make Kirkland Lake Presentable (ED-15 & ED-16)
Town of Kirkland Lake Official Plan	

	<p>Section 2.6.4.2.2 states: “The Town shall continue to take the necessary steps to service and offer for sale and where appropriate, lease industrial land. Revenues from such land sales shall be set aside in a specified Council approved reserve fund.”</p> <p>Section 3.2.1.3 states: “It shall be a policy of Council to retain all land, laneways and road allowances that are encumbered by municipal services, gas pipes, or hydro and telephone lines. These services shall be protected from incompatible development. Leases should also be avoided on all lands that are encumbered.”</p>
Municipal Act, Ontario	<p>Section 106 – Town is not permitted to provide below market rent to industrial and commercial enterprises.</p> <p>Section 107 – Notwithstanding Section 106, Town may provide grants to persons/organizations for purposes that Council considered to be in the best interest of the municipality.</p>
Assessment Act, Ontario	<p>Section 3 (1) 9 – Land owned by a municipality is not tax exempt if it is occupied by a tenant who would be taxable if the tenant owned the land.</p>
Commercial Tenancies Act, Ontario	<p>Outlines the relationship, rights and obligations between landlords and commercial tenants which includes everyone but residential tenants.</p>
Residential Tenancies Act, Ontario	<p>Outlines the relationship, rights and obligations between landlords and residential tenants.</p>
Planning Act, Ontario	<p>Section 27 – Municipalities may charge no rents or reduced rents in city-owned facilities within approved Community Improvement Plan areas to encourage redevelopment.</p>
Income Tax Act, Canada	<p>S. 248 (1) – Provides criteria for registered charities</p>

4.3 Roles and Responsibilities:

- 1. Town Council
 - a. Council or its delegated authority will approve all individual leases.

2. Corporate Services Department

- a. Maintain financial accounting system necessary to track the payment of fees, issue invoices as necessary and assist with the annual reconciliation of rents.

3. Development Services Department

- a. Act as the Town's official leasing agent for all occupancies of Town property.
- b. Primary point of contact for all tenants/leasees.
- c. Generate leasing/encroachments and establish procedures for administration.
- d. Prepare reports to Council recommending terms and conditions.
- e. Consult with other Town Departments on leasing/encroachment proposals.
- f. Maintain an inventory of property available for lease.

4. Other Town Departments

- a. Direct inquiries for leases of Town property to the Development Services Department.

4.4 *Leasing versus Ownership*

Based on the Town's preference for property ownership, all reports to Council must clearly identify why a lease interest should be pursued, as opposed to purchase. There are many variables which can affect whether a property should be leased, including:

- Short-term nature of space requirements
- Underlying program funding may be unpredictable or temporary in nature
- Municipal and/or public services exist and the Town must retain ownership of the land

4.5 *Value*

1. The lease of Town property will be for a value set by the Town of Kirkland Lake, in accordance with the User Fees By-law for that given year. It shall be reflective of market value.
2. Leases will be negotiated with appropriate terms that will allow the Town to increase fees annually.

3. As a minimum standard, fee increases will be negotiated as annual fixed step increases consistent with the Consumer Price Index of Ontario.
4. For leases with terms of more than five years, the Town will include provisions in the lease which permits fees to be reviewed at market rates of no more than five year intervals.

4.5 Allocation of Costs

1. All leases will be written as net leases/licenses with the tenant responsible for payment of their share of all operating costs included but not limited to taxes, utilities, maintenance, insurance and other costs related to the lease holders occupation of the property.

4.6 Property Tax

1. All leased property will be subject to property taxes if it is occupied by a tenant that would otherwise be taxed if the tenant owned the land. The Town shall recover the tenant's proportionate share of the property tax through the lease agreement.
2. Tenants with registered charitable status shall be responsible for paying property taxes and making application for tax rebates, as applicable.

4.7 Financial Due Diligence

1. Staff will conduct a financial background check to ensure the applicant is not in any tax arrears or has any outstanding payments that would prohibit the lease/encroachment, in accordance with the *Property Sales and Other Land Uses to Residents in Arrears Policy*.

4.8 Insurance

1. The Town will not extend its insurance coverage to lease holders.
2. The Town will require all lease holders to carry their own insurance including but not limited to property and liability coverage in amounts deemed appropriate for the business of the lease holder.
3. All lease holders will be required to name the Town as an additional insured.

4.9 Procedures

All applications shall be circulated to internal departments and, in some cases, external agencies, listed on Schedule "A". The package circulated shall include:

- Mapping of the subject property including location, subdivision plan, survey (if any);
- Location of all public and private services;
- Lot area; and
- Applicants proposed plans for the property.

All municipal lots, which are to be leased or encroached upon, are to be searched with the Master of Titles. The cost for such search shall be borne by the prospective lease holder.

When reviewing lease and encroachment requests, Council shall consider the following:

- Council shall discourage leases on full lots in plans of subdivision. Full lots on a plan of subdivision shall be advertised and offered for sale to encourage development.
- Council shall discourage leases for the purpose of storing recreational vehicles and material.
- Council shall discourage leases and encroachments on laneways, road allowances or properties that are encumbered with public services.
- Council shall discourage development (buildings, fences, storage, etc.) on leased land. If development is required, development on top of public services or within the angle of repose, shall be prohibited.
- Council shall not encourage new construction that encroaches onto municipal land.

When an application is received, a report will be presented to the next scheduled in-camera Council meeting for consideration on whether to proceed with drafting a lease/encroachment agreement. If Council is agreeable to the said lease/encroachment, staff will provide public notice, containing the information and format as described on Schedule "B", by circulating a letter to adjacent property owners.

If Council is satisfied with the request, a By-law shall be passed by Council, in accordance with the Procedures for Giving Public Notice By-law, giving authority to the Mayor and Clerk to execute all documents related to the lease or encroachment of the said lands.

Should Council deem it necessary, leases or encroachment agreements shall be registered on title at the expense of the lessee.

5. Summary

This policy shall apply to the lease of or encroachment onto real property owned by the Corporation.

Approved By: Council

Date: _____

Schedule “A”

CIRCULATION LIST – INTERNAL DEPARTMENTS

Director of Development Services

Chief Building Official

Clerk

Treasurer

Economic Development Officer

Director of Public Works

Fire Chief

*Chair Person for Joint Health and Safety
Committee*

Tax Collector

Waterworks Foreman

Roads Foreman

Director of Parks and Recreation

CIRCULATION LIST – EXTERNAL DEPARTMENTS

If utilities are present, please contact the appropriate utility company.

Schedule “B”

The notice of intent to lease/encroach shall include the following information:

- The date on which a bylaw to lease/encroach the land will be considered;
- Municipal address, legal description and/or location map which the Clerk deems sufficient to identify the lands;
- The approximate size of the land by reference to dimensions and/or area, and a brief description of any buildings;
- The proposed use of lands and/or reason for the lease/encroachment;
- The general identification of the Lessee (e.g. adjacent land owner);
- The date on which the land was declared surplus;
- Information advising the public when and where additional information may be obtained and/or comments can be submitted for Council’s consideration.

REPORT TO COUNCIL

Meeting Date: 7/14/2020	Report Number: 2020-DEV-027
Presented by: Ashley Bilodeau	Department: Development Services

REPORT TITLE

Temporary Use By-law for Temporary Patio Expansions

RECOMMENDATION(S)

BE IT RESOLVED THAT Report Number 2020-DEV-033 entitled “**Temporary Use By-law for Temporary Patio Expansions**”, be received,

THAT a Temporary By-law be passed to authorize the Corporation of the Town of Kirkland Lake to allow temporary patios under the Zoning By-law, with the following provisions:

Outdoor patios accessory to an existing permitted *restaurant* may be located on an adjacent property, or within a parking area, parking space or drive aisle provided:

- a) There shall be no restriction on the maximum area of an outdoor patio;
- b) Notwithstanding Section a) above, an *outdoor patio* located within a parking area shall not occupy more than the greater of:
 1. 4 of the required parking spaces; or
 2. 33% of the provided parking spaces for the use.
- c) An *outdoor patio* area associated with a restaurant or brewery shall be exempt from requirements for provision of parking spaces.
- d) The *outdoor patio* area does not occupy any fire route.
- e) The *outdoor patio* does not occupy accessible parking spaces.
- f) The *outdoor patio* shall not be used to provide entertainment such as performances, music and dancing.
- g) An *outdoor patio* shall be setback a minimum distance of 1.0 metre from the mutual property line shared with a municipal road; 1.5 metre from all other property lines or 1.2 metres from a parking area.
- h) An *outdoor patio* shall be setback 12.1 metres from a property line with a dwelling unless permission from the owner of the property is obtained.

-
- i) The property owner is exempt from requiring a Site Plan Control Agreement amendment to accommodate the temporary *outdoor patio*.

THAT the Temporary Seasonal Patio Program be amended to permit canopies and covered patio areas, so long as two full sides of the outdoor dining area are open to the outdoors, and

THAT the Temporary Seasonal Patio Program shall remain in effect until the Order under Subsection 7.0.2 of the Emergency Management and Civil Protection Act is revoked.

BACKGROUND

On June 12, 2020, the Province of Ontario announced the second stage of the framework for reopening the Province to restart the economy. In this second stage, restaurants, bars, food trucks and other food and drink establishments were authorized to open for dining in outdoor areas only, such as patios, curbside, parking lots and adjacent premises.

Restaurants or liquor licensees who wish to temporarily extend the physical size of existing licensed patios, or temporarily add a new licensed patio within the approved period are permitted to do so, if the following criteria are met:

- The physical extension of the premises is adjacent to the premises to which the licence to sell alcohol applies;
- **The municipality in which the premises is situated does not object to an extension;**
- The licensee is able to demonstrate sufficient control over the physical extension of the premises;
- There is no condition on the liquor licence prohibiting a patio.

In response to criteria 2, Mr. Ivanov submitted correspondence on June 17th, 2020 to seek municipal permission to expand his patio for the purpose of serving more customers at the White Eagle (8, 10 and 12 Woods Street). Mr. Ivanov's request is complicated due to the planning framework in place.

The property is currently designated "Residential" in the Official Plan and zoned "Residential Low to Medium Density (R2)". The White Eagle located at 8 Woods Street likely retains a legal non-conforming use. 10 Woods Street has a residential dwelling at the rear of the property and a 20' x 20' patio that was established by way of a minor variance in 2010. 12 Woods Street is currently vacant. The extension of a patio onto 10 and 12 Woods Street for the purpose of selling food and alcohol is non-compliant with the Official Plan and Zoning By-law, and as a result, could not be supported by Planning staff.

In order to resolve this issue, Council passed a Seasonal Temporary Patio Program

at the June 23, 2020 Council meeting and directed staff to apply for a Temporary Use By-law that would reduce the red-tape associated with implementing a patio expansion, to have regard for the Provincial Governments Stage 2 reopening and to support local businesses and economic development. This support is crucial given the restrictions and closures resulting from the COVID-19 Pandemic.

R A T I O N A L E

Emergency Orders in Place

On July 2, 2020, a new Emergency Order was issued by the Province in an attempt to reduce red tape associated with the process of passing temporary use by-laws relating to outdoor patios. In this Order, the Province eliminated the need for a public meeting and the ability for the public to appeal a Council's decision to the Local Provincial Appeals Tribunal (LPAT). The Province also amended restrictions on canopies and covered patio areas, so long as two full sides of the outdoor dining area remain open to the outdoors.

Provincial Policy Statement 2020

The proposed temporary by-law is consistent with the policies set out in the Provincial Policy Statement (PPS 2020).

Official Plan

Section 2.3.2 of the Official Plan lists the following goal: "to have a financially strong and well-balanced commercial and industrial tax base."

The proposal complies with the regulations of the Town of Kirkland Lake's Official Plan.

Zoning By-law 12-019

After reviewing potential zoning issues on each of the properties housing restaurants in the Town of Kirkland Lake, the following are the provisions that must be included in the temporary use by-law to ensure no planning process is required to accommodate an expansion or implementation of an outdoor patio:

Outdoor patios accessory to an existing permitted *restaurant* may be located on an adjacent property, or within a parking area, parking space or drive aisle provided:

- a. There shall be no restriction on the maximum area of an outdoor patio;
- b. Notwithstanding Section a) above, an *outdoor patio* located within a parking area shall not occupy more than the greater of:

- c.
 - 1. 4 of the required parking spaces; or
 - 2. 33% of the provided parking spaces for the use.
- d. An *outdoor patio* area associated with a restaurant or brewery shall be exempt from requirements for provision of parking spaces.
- e. The *outdoor patio* area does not occupy any required fire route.
- f. The *outdoor patio* does not occupy accessible parking spaces.
- g. The *outdoor patio* shall not be used to provide entertainment such as performances, music and dancing.
- h. An *outdoor patio* shall be setback a minimum distance of 1.0 metre from the mutual property line shared with a municipal road; 1.5 metre from all other property lines or 1.2 metres from a parking area.
- i. An *outdoor patio* shall be setback 12.1 metres from a property line with a dwelling unless permission from the owner of the property is obtained.
- j. The property owner is exempt from requiring a Site Plan Control Agreement amendment to accommodate the *outdoor patio*.

Originally, staff had suggested an expiry date of October 31, 2020. Instead, staff are now recommending that this By-law remain in effect until the Order under Subsection 7.0.2 of the Emergency Management and Civil Protection Act is revoked.

Modifications to Seasonal Temporary Patio Program

The Seasonal Temporary Patio Program was approved by Council on June 23, 2020. On July 2, 2020, the Province released additional information pertaining to seasonal temporary patios, including permission to cover and/or canopy the patio area, so long as two sides remain open to the outdoors. In order to remain consistent with Provincial Emergency Orders, staff recommend updating the Program to permit covered or canopied patio areas.

To remain in line with the proposed temporary by-law, it is suggested that the Temporary Patio Program also remain in effect until the Order under Subsection 7.0.2 of the Emergency Management and Civil Protection Act is revoked.

Summary

The response to the COVID-19 Pandemic has had a severe impact on many local businesses and their employees. Businesses permitted to reopen or expand operations under Stage 2 will do so as soon as they can, provided it is cost-effective to operate while complying with health regulations. This temporary use by-law, in conjunction with the Temporary Seasonal Patio Program passed on June 23, 2020, will provide the quickest response for local restaurants/bars to expand their patios to attract customers.

With the Emergency Order now in place, there is no longer a requirement to hold a public meeting on July 14, 2020. There is also no ability for the public to appeal Council's decision to the Local Planning Appeals Tribunal (LPAT).

OTHER ALTERNATIVES CONSIDERED

The alternatives will result in increased timelines for approval and applicants being required to pay fees. Some of these processes (i.e. zoning amendments, minor variances, encroachment agreements and/or site plan control agreements) could take 3 - 6 months, resulting in lost revenue.

FINANCIAL CONSIDERATIONS

In accordance with Council's decision on June 23, 2020, there are no costs to applicants under the Temporary Seasonal Patio Program. All costs associated with the implementation of these permits will be documented and charged to COVID related expenses. It is expected that these costs will be recovered through Federal/Provincial support program offered to municipalities.

RELATIONSHIP TO STRATEGIC PRIORITIES

This Program is in line with the Strategic Pillar of Promoting Economic Growth and the following strategic priorities:

- Support local businesses;
- Encourage retention and attraction of businesses in Kirkland Lake; and
- Building capacity to execute Economic Development.

ACCESSIBILITY CONSIDERATIONS

Temporary patios must comply with relevant accessibility requirements and may not reduce or eliminate accessible parking spots.

CONSULTATIONS

The Notice of Public Meeting was posted on social media and the website on June 24, 2020 and circulated electronically to agencies and municipal departments. The Notices were also hand delivered to each of the restaurants and bars to ensure they were aware of the meeting.

The Planning Advisory Committee (PAC) met on July 9th, 2020. The PAC recommended that Council approve the Temporary Use By-law as presented.

ATTACHMENTS

Attachment 1 – Proposed Temporary Use By-law
Attachment 2 – Seasonal Temporary Patio Program

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THE CORPORATION OF THE TOWN OF KIRKLAND LAKE

BY-LAW NUMBER 20-___

BEING A BY-LAW TO AMEND THE CORPORATION OF THE TOWN OF KIRKLAND LAKE'S ZONING BY-LAW NUMBER 12-019

WHEREAS authority is granted under Section 34 and 39 of the *Planning Act, R.S.O. 1990*;

AND WHEREAS an application has been made to the Town of Kirkland Lake to amend the Town of Kirkland Lake's Zoning By-Law Number 12-019;

AND WHEREAS this By-Law conforms to the Official Plan for the Kirkland Lake Planning Area;

NOW THEREFORE BE IT RESOLVED THAT THE COUNCIL OF THE CORPORATION OF THE TOWN OF KIRKLAND LAKE ENACTS AS FOLLOWS:

1. Special Zone Standards

Outdoor patios accessory to an existing permitted *restaurant* may be located on an adjacent property, or within a parking area, parking space or drive aisle provided:

- a) There shall be no restriction on the maximum area of an outdoor patio;
- b) Notwithstanding a) above, an *outdoor patio* located within a parking area shall not occupy no more than the greater of:
 - a. 4 of the required parking spaces; or
 - b. 33% of the provided parking spaces for the use.
- c) An *outdoor patio* area associated with a restaurant or brewery shall be exempt from requirements for provision of parking spaces.
- d) The *outdoor patio* area does not occupy any required fire route.
- e) The *outdoor patio* does not occupy accessible parking spaces.
- f) The *outdoor patio* shall not be used to provide entertainment such as performances, music and dancing.
- g) An *outdoor patio* shall be setback a minimum distance of 1.0 metre from the mutual property line shared with a municipal road; 1.5 metre from all other property lines or 1.2 metres from a parking area.
- h) An *outdoor patio* shall be setback 12.1 metres from a property line with a dwelling unless permission from the owner of the property is obtained.
- i) The property owner is exempt from requiring a Site Plan Control Agreement amendment to accommodate the *outdoor patio*.

This By-law shall expire when the Order under Subsection 7.0.2 of the Emergency Management and Civil Protection Act is revoked, in accordance with the provisions of Section 39 of the Planning Act RSO 1990, c.P 13, as amended.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 14th DAY OF JULY, 2020.

Patrick Kiely, Mayor



Meagan Elliott, Clerk

KIRKLAND LAKE
THE RIGHT ENVIRONMENT

DRAFT

The Town of Kirkland Lake is introducing a Temporary Seasonal Patio Program for the summer of 2020. This program is in response to the COVID-19 Pandemic and is intended to support local restaurants by providing flexibility to restaurant owners while at the same time ensuring safety standards and measures remain in place.

Purpose

This Program provides a streamlined process to accelerate approvals for new or expanded temporary outdoor patios, that align with Provincial directives. Approvals of a new or extended patio are only valid for the balance of 2020.

Temporary Seasonal Patio Guidelines

1. Temporary patios are permitted only where the patio installation can be located adjacent to or in an existing parking lot dedicated to that business.
2. Temporary patios are not permitted for which only a special occasion permit or permits are issued.
3. Temporary patios approved in 2020 permitted under this Program shall be permitted until [the Order under Subsection 7.0.2 of the Emergency Management and Civil Protection Act is revoked](#); however, the Town may terminate these permissions with 48 hours notice, if the owner fails to abide by the conditions within this Program. The owner shall be responsible for the removal of the patio no later than November 1, 2020. The implementation and approval of any applications in accordance with this Program does not mean that a temporary or permanent patio application will be approved in the future.
4. Patios shall not exceed the indoor licensed capacity or occupancy requirements under the *Building Code* and *Fire Code*.
5. The owner shall be responsible for obtaining all relevant permissions, including but not limited to licences and permissions from the AGCO and the property owner.
6. The business owner shall mitigate any negative impacts on adjacent or nearby residential development.
7. No outdoor speakers or sound systems may be used. The use of temporary patios is regulated by the Town of Kirkland Lake Noise By-law Number 07-065.
8. The patio shall be compliant with the Accessibility for Ontarians with Disabilities Act (AODA).
9. There shall be full compliance with the Ontario Fire Code.
10. Cooking or food and drink preparation shall not be permitted on any temporary patio.

11. No open flames are to be used on tables or in any part of a temporary patio.
12. A minimum clearance of 1.5 metres from fire department connections and hydrants shall be maintained.
13. Temporary patios shall not extend in front of adjacent tenant spaces, exits or beyond business frontage without written permission from adjacent property owners and tenants; this includes any overhanging elements.
14. ~~Tents, canopies, shelter structures or stages are not permitted.~~ Tents, canopies, shelter structures are permitted, so long as two sides remain open to the outdoors. Temporary patio perimeter fencing, planters or barriers approximately 1.2 metres high are permitted, provided they do not damage any public property and are secured without endangering underground utilities.
15. Exit gates shall open freely outward, but not into traffic.
16. A clear path of pedestrian travel of 2.0 metres minimum shall be maintained. A clear path of 2.3 metres is recommended.
17. The side of the temporary patio adjacent to a Town roadway or drive aisle shall maintain a minimum distance of 1.0 metre from the edge of any adjacent travel lane.
18. A separate building permit shall be required for any platform/deck construction if located above 0.6 meters from the ground.
19. No serving on the patio is permitted after 9:00 p.m., local time.
20. If the temporary seasonal patio is located on municipal land (i.e. road allowance) an encroachment agreement and proof of insurance (\$2 million in liability) will be required.

The Temporary Seasonal Patio shall not:

1. Be located in through traffic lanes or lanes marked as no parking/stopping/fire route/accessible parking.
2. Be located in a municipal parking lot or on surplus property without prior approval from Council.
3. Obstruct underground utility access, electrical transformer vaults, utility boxes, parking metres, loading zones and other infrastructure.
4. Damage town-owned or private trees in an effort to design, construct, maintain or operate the temporary patio.
5. Conflict with existing pedestrian crossings.
6. Permit smoking, pursuant to the Smoke-Free Ontario Act and 'no smoking' signage shall be posted at the entrance/exit.
7. Permit electrical power cords or any device that cross the travelled portion of the boulevard.
8. Permit obstruction of stormwater flows or block stormwater drains. The applicant shall be responsible for clearance of any debris and overall maintenance to ensure free flow.

Patio Design Details

- All applications should include a sketch/site plan that properly identifies:
 - Existing establishment;
 - Existing patio(s);
 - Proposed temporary patio expansion;
 - Fencing/barricading (identify material to be used).
 - Patio layout
 - Location of all tables (should be 1.8 metres between patio patrons and passing pedestrian traffic)
 - Size of tables
 - Proposed number of chairs at each table
 - Entrance to the patio and building/restaurant
- Fencing or barricading of the patio must form a fully enclosed perimeter.
- Fencing cannot obstruct vehicular/pedestrian sightlines/fire route and access.

The Town's Temporary Seasonal Patio Program is a temporary measure to assist businesses during the COVID-19 Pandemic. If businesses wishes to create a permanent patio, please contact the Development Services Department for policies, procedures, applications and permit processes at building@tkl.ca or by phone at 705-567-9365.



Temporary Seasonal Patio Program - Application Form

Applicant: _____

Owner: _____

Business Name: _____

Business Address: _____

Phone Number: _____ E-Mail: _____

Do you plan to expand the patio on a temporary or permanent basis?

Temporary Permanent

Do you currently have an outdoor patio?

Yes No

What is the current inside seating capacity within your restaurant? _____

Has your property owner given you permission to operate a new or expanded patio? _____

How many tables do you wish to place on your outdoor patio? _____

How many chairs do you wish to place on your outdoor patio? _____

As the applicant, I confirm that I have read the Program Guidelines for Temporary Seasonal Patios and that this application is compliant. I have attached to this application the required information. Further, I understand and agree that all material used in the construction of the temporary patio area are fully removable and that the area will be restored to its original condition no later than October 31, 2020.

I understand that this application form is a public document and that any and all information contained in it, including personal information as that term is defined in the *Freedom of Information and Protection of Privacy Act of Ontario*, and is open for inspection by the public.

Signature: _____

Date: _____



REPORT TO COUNCIL

Meeting Date: 7/14/2020	Report Number: 2020-DEV-034
Presented by: Ashley Bilodeau	Department: Development Services

REPORT TITLE

Request from Green For Life Environmental (GFL) to Modify Waste/Recycling Collection Schedule

RECOMMENDATION(S)

BE IT RESOLVED THAT the correspondence from GFL regarding a request to modify the current collection schedule, be received,

THAT Report Number 2020-DEV-034 entitled “**Request from Green For Life Environmental (GFL) to Modify Waste/Recycling Collection Schedule**”, be received, and

THAT this report be referred to the August 11, 2020 Regular Meeting of Council to allow Council adequate time to review and consider the proposed modifications to the collection schedule, with the following recommendation:

THAT staff be directed to modify the waste and recycling schedule in accordance with the proposal submitted by GFL, and

THAT GFL shall be responsible for the promotion of the new collection schedule with support from the Town’s media platforms.

BACKGROUND

By-law 18-095 was passed on June 19th, 2018 authorizing the Mayor and Clerk to sign a five-year contract with Municipal Waste Recycling Consultants (MWRC). In October of 2018, MWRC began operating in the Town of Kirkland Lake. On June 11, 2019, MWRC became part of the GFL Environmental group of companies, maintaining the same level of service. GFL has now gained a better understanding of the Town, the collection routes and residents and business waste needs. GFL would like to modernize processes and is requesting revisions to the waste/recycling

collection schedule, to collect waste in a more efficient way. To make this change, a contract change order is required as the existing routes form part of the contract (Schedule “A” and “B” of the contract, attached as Attachment 2 to this report).

The new, proposed schedule is attached as Attachment 3 to this report.

R A T I O N A L E

The existing schedule is a carry over from the old contract, where manual collection was required. This schedule allowed for more time each day to complete collection activities. By introducing mechanical waste collection, waste is being collected in a faster, more efficient manner. Collection on certain days is completed before 11 a.m. GFL would like the opportunity to combine collection days, reducing the overall collection schedule to four days a week.

This change in schedule would reduce the overlap in winter months with snow removal by one day each week and would keep the collection trucks in one area. Trucks on certain days are maneuvering from one area of Town to another, which is inefficient. It would also alleviate the six days a year when Monday is a holiday, resulting in less modifications to the collection schedule throughout the year resulting in less confusion and inconvenience for residents and businesses. In addition, commercial locations not open on Sundays would no longer have to come in on Sunday or early Monday morning to put collection carts out.

Should Council be agreeable to the proposed change, GFL intends on implementing the new schedule beginning September 8, 2020, and notifying the public as follows:

- Advertising on the radio and on the Town’s social media pages/website;
- Stickers will be placed on every bin that will state the new day for collection for that dwelling/commercial business and the date the change will take place; and
- Hand delivery of notices and conversations with each of the downtown businesses.

GFL has also provided several “Continuous Improvements” for the Town to consider. Some of these are reflected as Action Items in the Town of Kirkland Lake’s Strategic Plan to review in the coming months/years. These Improvements will be addressed in accordance with the schedule within the Strategic Plan.

O T H E R A L T E R N A T I V E S C O N S I D E R E D

The schedule can remain as is, although there are benefits, as mentioned in this report, to accommodate the waste contractor’s proposed change to the collection schedule.

FINANCIAL CONSIDERATIONS

There are no financial considerations associated with this request. The contract price will remain the same. The contractor would be responsible for all costs associated with advertising and notifying the public.

RELATIONSHIP TO STRATEGIC PRIORITIES

This request is in line with the Strategic Priority of providing efficient and sustainable service delivery.

ACCESSIBILITY CONSIDERATIONS

There are no accessibility considerations.

CONSULTATIONS

Richard Charbonneau, Waste and Airport Manager
Jenna McNaughton, Recycling Coordinator/Information Manager
Eric Clarke, GFL

ATTACHMENTS

Attachment 1 – Letter from GFL
Attachment 2 – Existing Collection Schedule
Attachment 3 – Proposed Collection Schedule

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July 6, 2020

Dear Staff:

RE: Requesting Change in Garbage/Recycling Pick-Up Routes

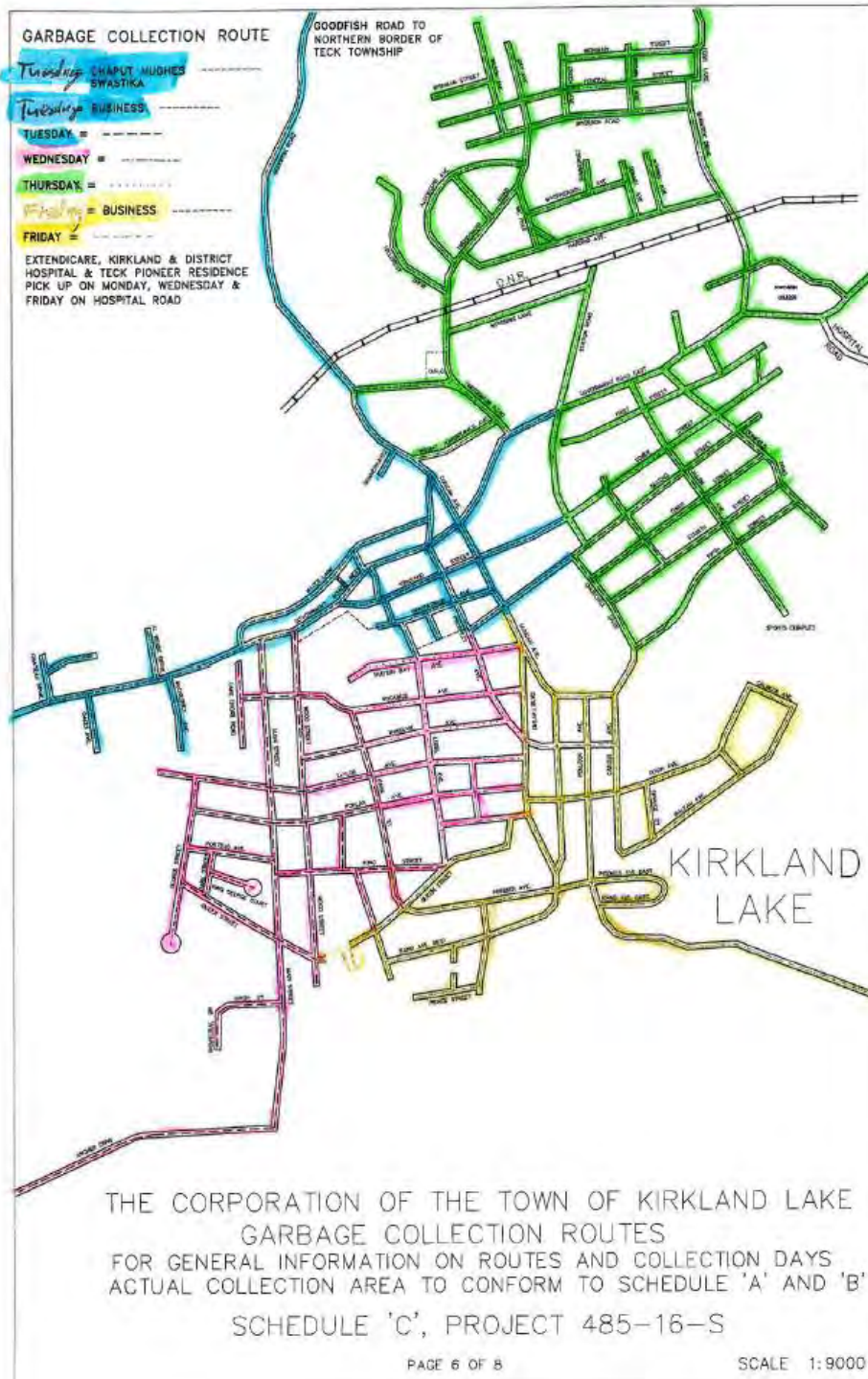
Green for Life (GFL), formerly Municipal Waste Recycling Consultants (MWRC), has been operating in Kirkland Lake since October 2018. GFL has developed an understanding of the Town, its routes and waste needs, and would now like to modernize some of the processes, to continue on a path of diversion and increase longevity of the Landfill.

The switch to mechanical pick-up in 2016, and the addition of side-loading trucks in 2018, has drastically reduced the amount of time taken to perform waste and recycling collection. GFL has certain days where pick-up is completed before 11 a.m., providing an opportunity to combine pick-up days. While talking with town staff and the general public GFL would like to propose a revised pick-up schedule to allow for waste to be collected in faster, cleaner and more efficient process.

Proposal

Currently, GFL operates on a 5-day pick-up schedule for residents and 2-day pick-up schedule for commercial. With some days shorter than others, we would like to reduce the residential pick-up to 4 days a week, eliminating Mondays. Commercially, waste is picked up on Monday and Thursdays. GFL is proposing to change this to Tuesday and Fridays. This would reduce the overlap in winter months with snow removal, and keep the truck in one area per day. It would also alleviate the 6 days a year when Monday is a holiday, and keep us more in line with the other communities we provide. For commercial this would better suit the locations that are not open on Sundays and put out there cans on Friday night or have to come in Sunday to place their cart and locations open all weekend will have an empty carts or shed to start the weekend. With this change, we will still provide a Monday pickup service as per our contractual obligations for the properties that receive a 3 time a week pick up.

The following diagram outlines the changes in schedule being proposed:





As an example, the following would be the noted changes to specific Councillors:

- Dennis, Stacy, Casey and Eugene move from Monday to Tuesday
- Rick Owen moves from Tuesday to Thursday
- Pat Kiely and Pat Adams goes from Wednesday to Thursday

Proposed Notification & Advertising

Should Council be satisfactory to the proposed changes, GFL would take it upon ourself to ensure adequate notice and advertising takes place to convey the message to the public. It is recommended that the change in service occur early fall. GFL intends of advertising the changes on the radio and Town's social media pages. Stickers will be placed on every bin that will state the new day for collection for that dwelling/commercial business, and the date the change will take place. Hand delivery of notices to downtown businesses is also proposed.

Continuous Improvements

GFL recognizes that the towns new Strategic Plan has put aside time in the fourth quarter for review of commercial waste, as a method of finding efficiencies for taxpayers. GFL is consistently looking for ways to improve our processes and find efficiencies for the municipalities with existing contracts, and look forward to being able to assist the Town of Kirkland Lake with this action item. We also recognize the need to reduce the amount of waste being brought to the landfill, to increase the lifespan of the facility and reducing capital costs in the long-term. The following are some areas that are being reviewed and researched with staff at the moment:

- Textiles: Textiles can be considered a recyclable material and can be diverted from the landfill. There are special programs that certain municipalities have taken on that brings in revenue and has very low costs to implement. More information can be provided upon request.
- Recycling and Garbage Audits: This would avoid contaminates entering the landfill and recycling facilities.
- Implementing Bag Limits and Tighter Restrictions on Multi-Residential and Commercial Waste: Kirkland Lake's "top 3" commercial producers combined make up approximately 8% off all waste sent to landfill. An additional 8% comes from the remainder of the commercial businesses. If you factor in multi-residential (more than 6 units), there is an additional 20%, resulting in a total of approximately 36% of waste being collected, and sent to landfill. On that note, the majority of the commercial waste consists of cardboard boxes and packaging that could be diverted from the landfill (approximately 55 to 65% of commercial waste). Should Council want to eliminate commercial waste pick-up, GFL is willing to review the contract and renegotiate the contracted



price. As part of the action item listed in the Strategic Plan, GFL will provide an estimate on potential savings and processes for consideration.

- Other options for increased revenue could be looked at with fee structure and implementation of a scale.

GFL is grateful to be the contracted service provider for Kirkland Lake and looks forward to many more years of working together. If there are any questions relating to the information presented in this letter, you can contact GFL at 705-570-3948.

Sincerely,

Eric Clarke
Operations Manager

GFL

SCHEDULES

Schedule “A” Identifies the applicable routes for Residential curbside collection

MONDAY	Garbage Collection	Residential Blue box
Approximate 6:00am		
Swastika	<input type="checkbox"/>	<input type="checkbox"/>
Chaput Hughes	<input type="checkbox"/>	<input type="checkbox"/>
Government Road West	<input type="checkbox"/>	<input type="checkbox"/>
Chateau Drive and Oakes Ave	<input type="checkbox"/>	<input type="checkbox"/>
Mall & Al Wende	<input type="checkbox"/>	Not applicable
McChesney Avenue	<input type="checkbox"/>	Not applicable
Water Lane	<input type="checkbox"/>	<input type="checkbox"/>
Prospect & Duncan Avenue North	<input type="checkbox"/>	<input type="checkbox"/>
Summerhayes	<input type="checkbox"/>	<input type="checkbox"/>
Airport Road, Nettie Lake and Goodfish Lake	Not applicable	Not applicable
Kirkland Street	<input type="checkbox"/>	<input type="checkbox"/>
Duncan, Prospect & Second Street	<input type="checkbox"/>	<input type="checkbox"/>
Library	<input type="checkbox"/>	<input type="checkbox"/>
St. Peter’s Lane	<input type="checkbox"/>	<input type="checkbox"/>
Place of Business and Lanes	<input type="checkbox"/>	Not applicable
Extendicare, Kirkland & District Hospital & Teck Pioneer	<input type="checkbox"/>	<input type="checkbox"/>
Kirkpatrick Street & Teck Ave	<input type="checkbox"/>	<input type="checkbox"/>
Hudson Bay Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Lebel Avenue (From Gov’t Rd. To Hudson Bay Ave.)	<input type="checkbox"/>	<input type="checkbox"/>

Schedule “A” Identifies the applicable routes for Residential curbside collection

TUESDAY	Garbage Collection	Residential Blue box
Approximate 6:00am		
Main Street & Lakeshore Road	<input type="checkbox"/>	<input type="checkbox"/>
Main Street	<input type="checkbox"/>	<input type="checkbox"/>
Queen Street from Woods to George Street	<input type="checkbox"/>	<input type="checkbox"/>
Porteous Street	<input type="checkbox"/>	<input type="checkbox"/>
King Street	<input type="checkbox"/>	<input type="checkbox"/>
Park from Queen to Taylor Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Comfort Street	<input type="checkbox"/>	<input type="checkbox"/>
Woods St. from Queen to Taylor Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Folger Street	<input type="checkbox"/>	<input type="checkbox"/>
Poplar Ave and George Street	<input type="checkbox"/>	<input type="checkbox"/>
Taylor Avenue	<input type="checkbox"/>	<input type="checkbox"/>
McKelvie Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Park and McCamus	<input type="checkbox"/>	<input type="checkbox"/>
Woods Street	<input type="checkbox"/>	<input type="checkbox"/>
Approximate 12 Noon		
Assumption School & Fourth Street	<input type="checkbox"/>	<input type="checkbox"/>
Fifth Street, Complex & KLDCS	<input type="checkbox"/>	<input type="checkbox"/>
Allen Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Fourth Street	<input type="checkbox"/>	<input type="checkbox"/>
Third Street	<input type="checkbox"/>	<input type="checkbox"/>
Second Street & Young Avenue	<input type="checkbox"/>	<input type="checkbox"/>

Schedule “A” Identifies the applicable routes for Residential curbside collection

WEDNESDAY	Garbage Collection	Residential Blue box
Approximate 6:00am		
Wright Hargreaves Ave. & Tweedsmuir Rd.	<input type="checkbox"/>	<input type="checkbox"/>
Hillcrest	<input type="checkbox"/>	<input type="checkbox"/>
Algonquin Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Tweedsmuir & Alexander	<input type="checkbox"/>	<input type="checkbox"/>
Harding Avenue to Summit Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Summit, McPherson, McPhee & Summerset Avenues	<input type="checkbox"/>	<input type="checkbox"/>
Harding & Atkins Avenues	<input type="checkbox"/>	<input type="checkbox"/>
Burnside Court	<input type="checkbox"/>	<input type="checkbox"/>
Burnside Drive	<input type="checkbox"/>	<input type="checkbox"/>
Foss Lane	<input type="checkbox"/>	<input type="checkbox"/>
Wishman to Brown Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Brown Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Approximate 12 Noon		
Grierson Rd. to Burnside Drive	<input type="checkbox"/>	<input type="checkbox"/>
Federal to Brown Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Wishman & Green Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Federal Street	<input type="checkbox"/>	<input type="checkbox"/>
Grierson Rd	<input type="checkbox"/>	<input type="checkbox"/>
Wilson & Wishman Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Federal & Day Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Extencicare, Kirkland & District Hospital & Teck Pioneer	<input type="checkbox"/>	<input type="checkbox"/>

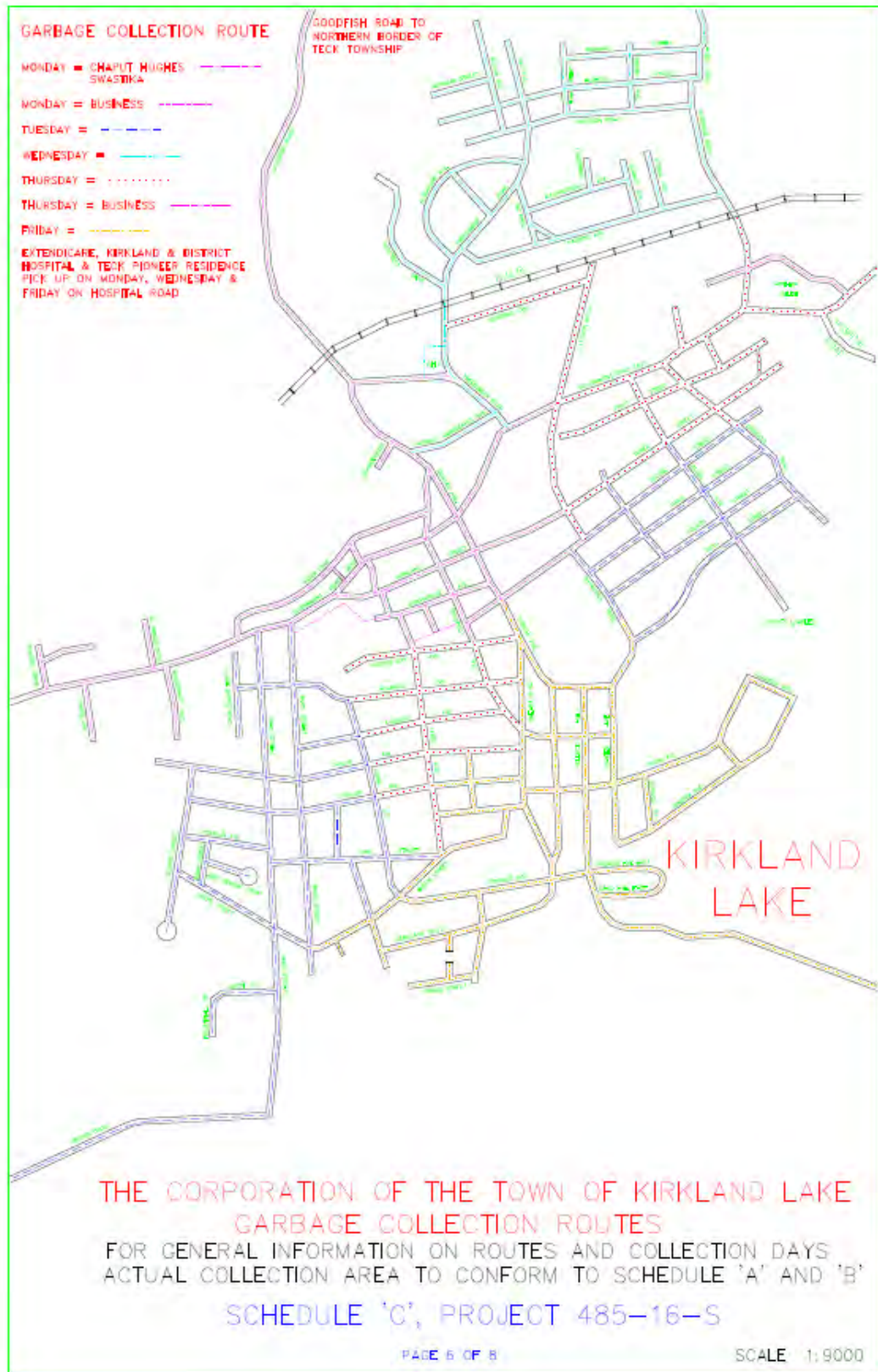
Schedule “A” Identifies the applicable routes for Residential curbside collection

THURSDAY	Garbage Collection	Residential Blue box
Approximate 6:00am		
Mall	<input type="checkbox"/>	Not applicable
Government Road West	<input type="checkbox"/>	Residential only
Lebel Avenue (Hudson Bay to Queen)	<input type="checkbox"/>	<input type="checkbox"/>
Taylor Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Place of Business and Lanes	<input type="checkbox"/>	Not applicable
Prospect Avenue	<input type="checkbox"/>	<input type="checkbox"/>
McKelvie Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Place of Business	Not applicable	Not applicable
Gov’t Rd. East & Trailer Park	<input type="checkbox"/>	<input type="checkbox"/>
McKelvie Avenue	<input type="checkbox"/>	<input type="checkbox"/>
McCamus Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Hudson Bay Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Medical Centre & Library	Not applicable	Not applicable
Gov’t Rd. East & Station Road	<input type="checkbox"/>	<input type="checkbox"/>
Tower Street	<input type="checkbox"/>	<input type="checkbox"/>
First, Sylvanite & Dunfield	<input type="checkbox"/>	<input type="checkbox"/>
Allen Avenue from Second to Gov’t Rd. East	<input type="checkbox"/>	<input type="checkbox"/>
Nipissing Lane	<input type="checkbox"/>	Not applicable

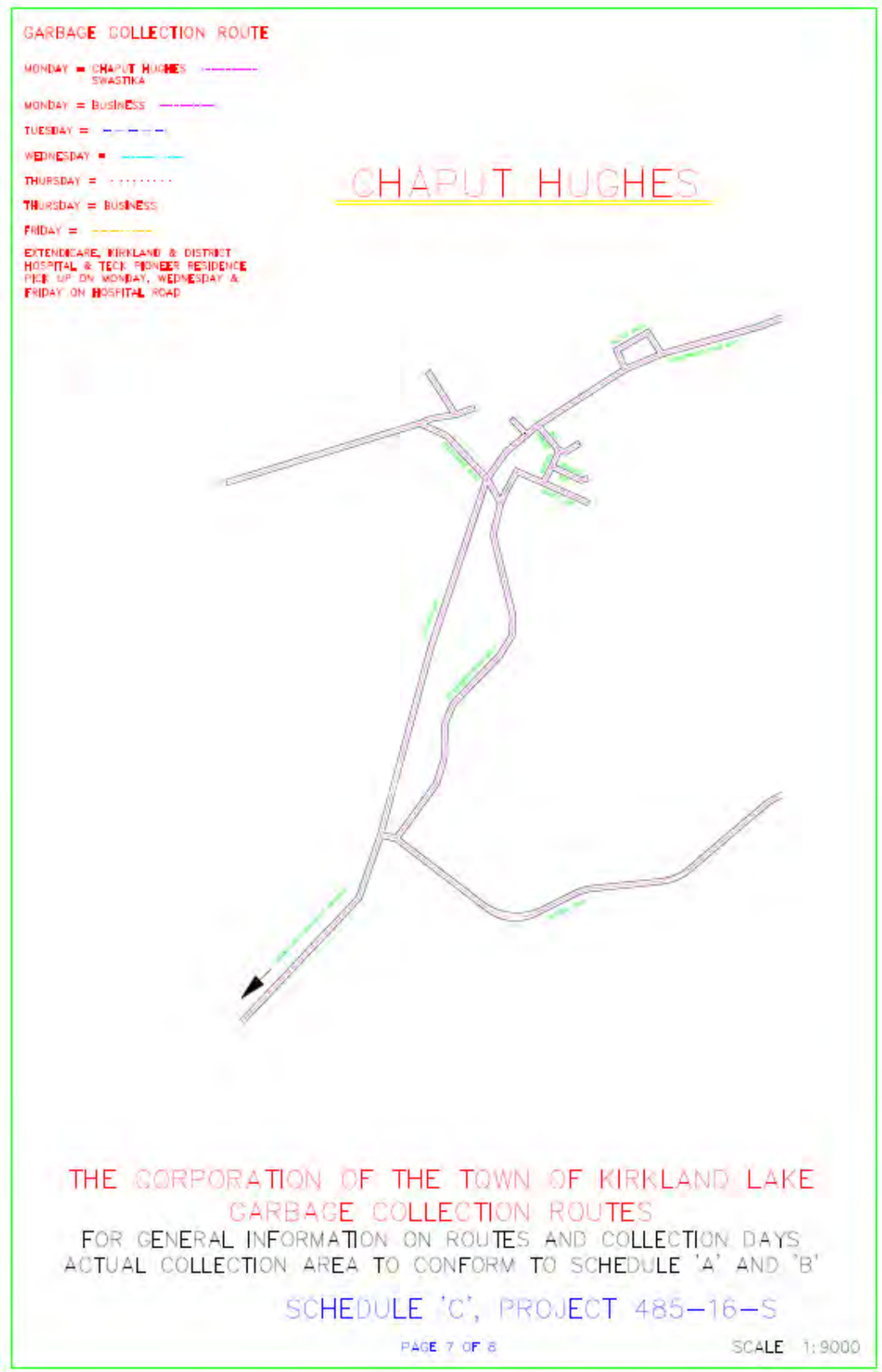
Schedule “A” Identifies the applicable routes for Residential curbside collection

FRIDAY	Garbage Collection	Residential Blue box
Approximate 6:00am		
Poplar Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Rowan & Lebel Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Queen St. from Lebel to King Street	<input type="checkbox"/>	<input type="checkbox"/>
Prospect Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Duncan Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Approximate Noon		
Pollock & Churchill Drive	<input type="checkbox"/>	<input type="checkbox"/>
Carter & Brookbank Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Balsam Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Dixon Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Calbeck Avenue	<input type="checkbox"/>	<input type="checkbox"/>
Furlong Street	<input type="checkbox"/>	<input type="checkbox"/>
Spruce Street	<input type="checkbox"/>	<input type="checkbox"/>
Premier East & West	<input type="checkbox"/>	<input type="checkbox"/>
Rand East & West	<input type="checkbox"/>	<input type="checkbox"/>
Earl, Prince, Baron & Comfort	<input type="checkbox"/>	<input type="checkbox"/>
Queen Street	<input type="checkbox"/>	<input type="checkbox"/>

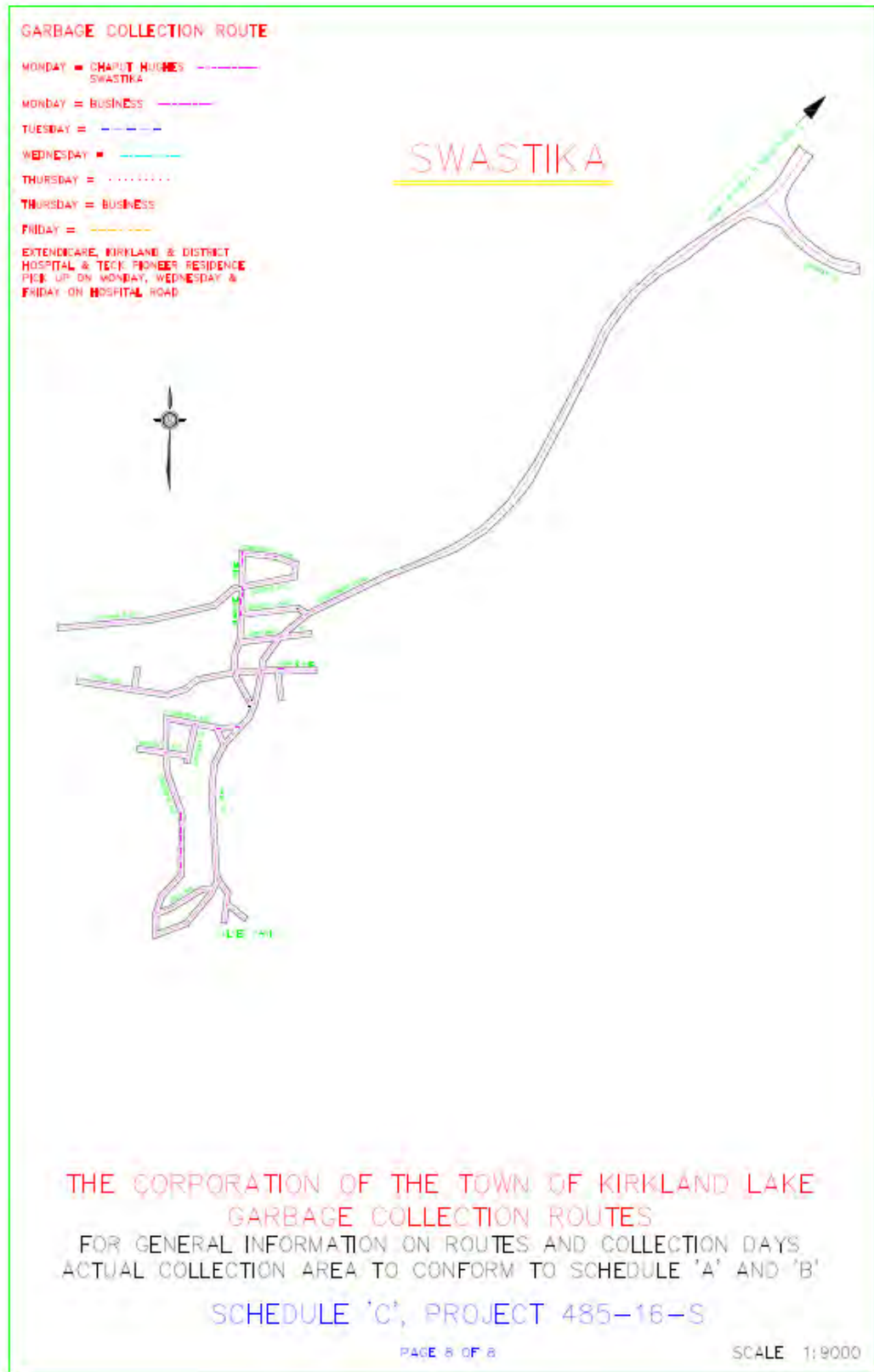
1.1 Schedule "B1" Map reflecting the applicable route for Residential curbside collection



1.2 Schedule "B2" Map reflecting the applicable route for Residential curbside collection



1.3 Schedule "B3" Map reflecting the applicable route for Residential curbside collection



GARBAGE COLLECTION ROUTE

Tuesday CHAPUT HUGHES SWASTIKA

Tuesday BUSINESS

TUESDAY =

WEDNESDAY =

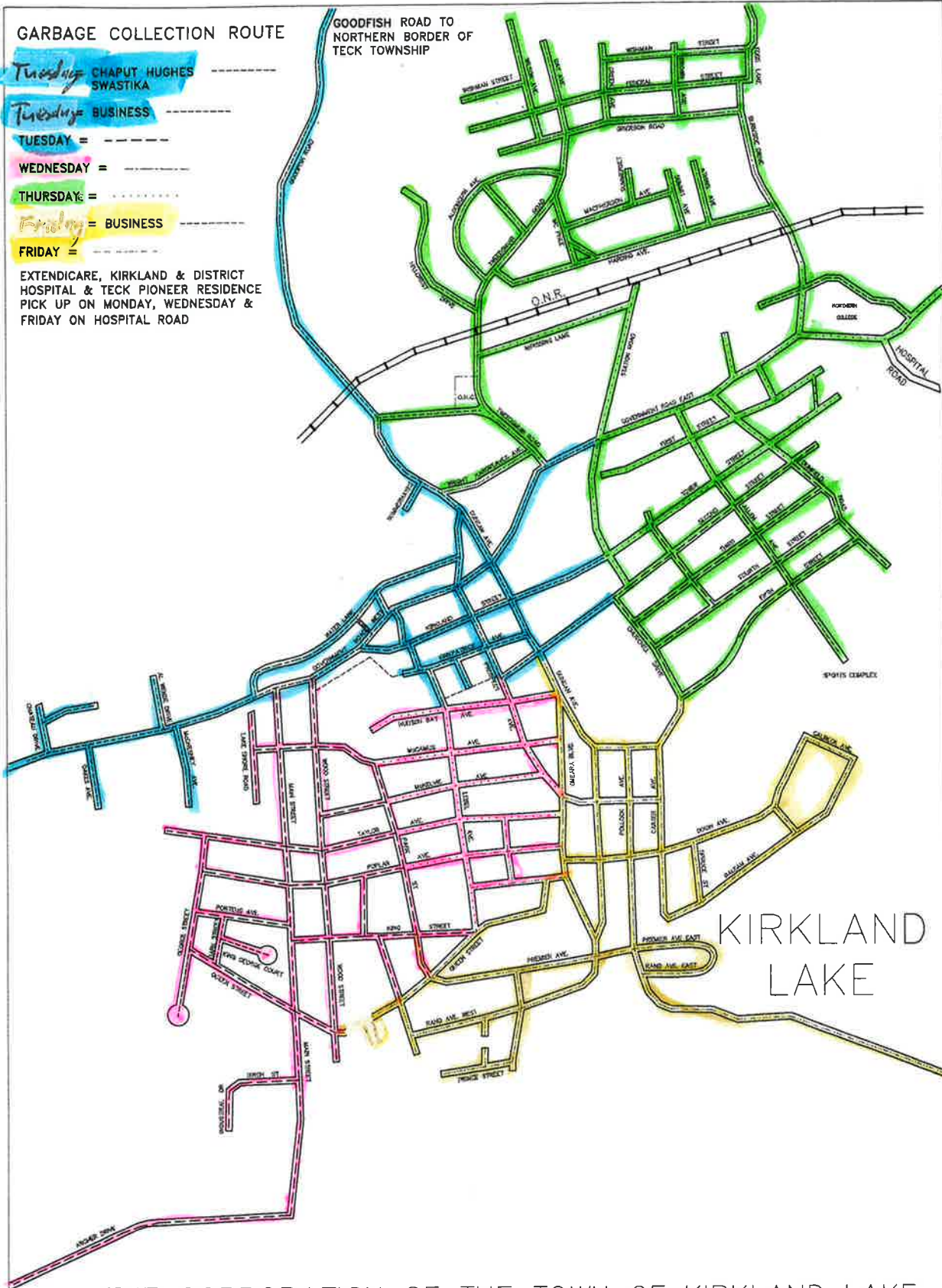
THURSDAY =

Friday = BUSINESS

FRIDAY =

EXTENDICARE, KIRKLAND & DISTRICT HOSPITAL & TECK PIONEER RESIDENCE PICK UP ON MONDAY, WEDNESDAY & FRIDAY ON HOSPITAL ROAD

GOODFISH ROAD TO NORTHERN BORDER OF TECK TOWNSHIP



KIRKLAND LAKE

THE CORPORATION OF THE TOWN OF KIRKLAND LAKE
 GARBAGE COLLECTION ROUTES
 FOR GENERAL INFORMATION ON ROUTES AND COLLECTION DAYS
 ACTUAL COLLECTION AREA TO CONFORM TO SCHEDULE 'A' AND 'B'
 SCHEDULE 'C', PROJECT 485-16-S



KIRKLAND LAKE

THE RIGHT ENVIRONMENT

THE CORPORATION OF THE TOWN OF KIRKLAND LAKE

BY-LAW NUMBER 20-064

BEING A BY-LAW TO REPEAL BY-LAW 20-041 - A BY-LAW TO APPOINT A DEPUTY CHIEF BUILDING OFFICIAL AND PROPERTY STANDARDS OFFICER

WHEREAS Sections 1 and 3 (2) of the Ontario Building Code Act, authorizes the appointment of Property Standards Officer, Deputy Chief Building Official and Chief Building officials;

AND WHEREAS Council deemed it desirable to appoint a Deputy Chief Building Official and Property Standards Officer to ensure legislative timeframes are met;

AND WHEREAS Clayton Seymour was appointed Deputy Chief Building Official and Property Standards Officer of the Town of Kirkland Lake on April 21, 2020;

AND WHEREAS Clayton Seymour cannot assist the Town of Kirkland Lake;

NOW THEREFORE BE IT RESOLVED THAT the Council of the Corporation of the Town of Kirkland Lake enacts as follows:

1. That By-law 20-041 is hereby repealed.

READ A FIRST, SECOND AND THIRD TIME, ENACTED AND PASSED THIS 14th DAY OF JULY, 2020.

Patrick Kiely, Mayor

Meagan Elliott, Clerk

THE CORPORATION OF THE TOWN OF KIRKLAND LAKE

BY-LAW NUMBER 20-065

BEING A BY-LAW TO AMEND THE CORPORATION OF THE TOWN OF KIRKLAND LAKE'S ZONING BY-LAW NUMBER 12-019

WHEREAS authority is granted under Section 34 and 39 of the *Planning Act, R.S.O. 1990*;

AND WHEREAS an application has been made to the Town of Kirkland Lake to amend the Town of Kirkland Lake's Zoning By-Law Number 12-019;

AND WHEREAS this By-Law conforms to the Official Plan for the Kirkland Lake Planning Area;

NOW THEREFORE BE IT RESOLVED THAT THE COUNCIL OF THE CORPORATION OF THE TOWN OF KIRKLAND LAKE ENACTS AS FOLLOWS:

1. Special Zone Standards

Outdoor patios accessory to an existing permitted *restaurant* may be located on an adjacent property, or within a parking area, parking space or drive aisle provided:

- a) There shall be no restriction on the maximum area of an outdoor patio;
- b) Notwithstanding a) above, an *outdoor patio* located within a parking area shall not occupy no more than the greater of:
 - a. 4 of the required parking spaces; or
 - b. 33% of the provided parking spaces for the use.
- c) An *outdoor patio* area associated with a restaurant or brewery shall be exempt from requirements for provision of parking spaces.
- d) The *outdoor patio* area does not occupy any required fire route.
- e) The *outdoor patio* does not occupy accessible parking spaces.
- f) The *outdoor patio* shall not be used to provide entertainment such as performances, music and dancing.
- g) An *outdoor patio* shall be setback a minimum distance of 1.0 metre from the mutual property line shared with a municipal road; 1.5 metre from all other property lines or 1.2 metres from a parking area.
- h) An *outdoor patio* shall be setback 12.1 metres from a property line with a dwelling unless permission from the owner of the property is obtained.
- i) The property owner is exempt from requiring a Site Plan Control Agreement amendment to accommodate the *outdoor patio*.

This By-law shall expire when the Order under Subsection 7.0.2 of the Emergency Management and Civil Protection Act is revoked, in accordance with the provisions of Section 39 of the Planning Act RSO 1990, c.P 13, as amended.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 14th DAY OF JULY, 2020.

Patrick Kiely, Mayor

Meagan Elliott, Clerk



The Municipality of West Elgin

22413 Hoskins Line, Box 490, Rodney Ontario N0L 2C0

June 26, 2020

Hon. Doug Ford
Premier
Premier's Office
Room 281
Legislative Building, Queen's Park

Dear the Honorable Doug Ford:

Please be advised that at the Regular Meeting of Council on June 25, 2020, the Council of the Municipality of West Elgin passed the following resolution:

Resolution No. 2020-210

Moved: Councillor Rowe

Seconded: Councillor Tellier

Whereas West Elgin received a resolution from the Municipality of Grey Highlands with regard to the creation of a Universal Basic Income for citizens; and

Whereas the Council of West Elgin agrees that the creation of a Universal Basic Income would assist in reducing the financial strain on its citizens and businesses during the COVID-19 pandemic; and

Where a basic income ensures everyone an income sufficient to meet basic needs and live with dignity, regardless of work status and has the potential to improve individual physical and mental health, labour market participation, food security, housing stability, financial status and social relationships and generally raise the standard of living for vulnerable members of society; and

Therefore be it resolved that the Council of the Municipality of West Elgin urges the Ontario Provincial government and the Federal government work together to investigate the feasibility of implementing a universal basic income program.

For (3): Councillor Tellier, Councillor Cammaert, and Councillor Rowe
Abstain (1): Mayor McPhail

Carried (3 to 0)

If you require anything further, please do not hesitate to contact me.

Yours Truly,



Jana Nethercott
Clerk
Municipality of West Elgin

cc. Hon. Jeff Yurek, Minister of the Environment, Conservation & Parks
All Ontario Municipalities



The Municipality of West Elgin

22413 Hoskins Line, Box 490, Rodney Ontario N0L 2C0

June 26, 2020

Hon. Doug Ford
Premier
Premier's Office
Room 281
Legislative Building, Queen's Park

Dear the Honorable Doug Ford:

Please be advised that at the Regular Meeting of Council on June 25, 2020, the Council of the Municipality of West Elgin passed the following resolution:

Resolution No. 2020-209

Moved: Councillor Cammaert

Seconded: Councillor Rowe

Whereas West Elgin Council wishes to support resolution number CW93-20 from Grey County; and

Whereas West Elgin recognizes that the need for reliable access to affordable broadband is required for education and business purposes to ensure continuity and success; and

Whereas reliable broadband will continue to play an essential role in economic and social recovery across Ontario post-pandemic; and

Whereas not all residents of West Elgin are within a connectivity coverage area and that rural areas often receive inadequate or disproportionately low levels of service; and

Where as while it is important for the Provincial Government to look at both the number of people and the number of businesses that can be serviced by broadband expansion, it is essential, as well, that the Province provide broadband service to areas that have a small number of people, yet cover a vast geographical area; and

Whereas the need for broadband infrastructure improvement is now;

Now Therefore be it resolved that the Municipality of West Elgin representing our residents and business owners alike, call to action Premier Ford, Minister of

Environment, Conservation and Parks, the Honorable Jeff Yurek to champion the implementation of broadband in the under-serviced areas of West Elgin;

For (3): Councillor Tellier, Councillor Cammaert, and Councillor Rowe
Abstain (1): Mayor McPhail

Carried (3 to 0)

If you require anything further, please do not hesitate to contact me.

Yours Truly,



Jana Nethercott
Clerk
Municipality of West Elgin

cc. Hon. Jeff Yurek, Minister of the Environment, Conservation & Parks
All Ontario Municipalities



THE CORPORATION OF THE TOWN OF KIRKLAND LAKE

BY-LAW NUMBER 20-066

BEING A BY-LAW TO CONFIRM THE PROCEEDINGS OF COUNCIL AT ITS MEETING HELD JULY 14, 2020

WHEREAS Subsection 5(1) of the Municipal Act, 2001, S.O. 2001, Chapter 25, as amended, provides that the powers of a municipal corporation are to be exercised by its Council;

AND WHEREAS Subsection 5(3) of the said Municipal Act provides that the powers of every Council are to be exercised by by-law;

AND WHEREAS it is deemed expedient that the proceedings of the Council of the Town of Kirkland Lake at this meeting be confirmed and adopted by by-law;

NOW THEREFORE BE IT RESOLVED THAT THE COUNCIL OF THE CORPORATION OF THE TOWN OF KIRKLAND LAKE ENACTS AS FOLLOWS:

- 1 The actions of the Council of the Town of Kirkland Lake in respect of each motion passed and other actions taken by the Council of the Town of Kirkland Lake at this meeting are hereby adopted and confirmed as if all such proceedings were expressly embodied in this by-law.
- 2 The Mayor and Councillors of the Town of Kirkland Lake are hereby authorized and directed to do all things necessary to give effect to the actions of the Council of the Town of Kirkland Lake referred to in the preceding section.
- 3 The Mayor and the Clerk are hereby authorized to execute all documents necessary on behalf of the Council and to affix thereto the corporate seal of the Town of Kirkland Lake.
- 4 This by-law comes into force upon adoption by Council of the Town of Kirkland Lake.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 14th DAY OF JULY, 2020.

Pat Kiely, Mayor

Meagan Elliott, Clerk