



**Special Committee Meeting
AGENDA**

Tuesday, July 8, 2025, 5:30 p.m.

Council Chambers

City Hall - 200 McIntyre Street East, North Bay, ON

General Government Committee

Chair: Councillor Horsfield

Vice-Chair: Councillor Inch

Item(s) to be Addressed:

GG 2025-05: Report from Margaret Karpenko dated June 4, 2025 re: 2024 Consolidated Financial Statements

Community Services Committee

Chair: Councillor Mallah

Vice-Chair: Councillor King

Public Meeting Pursuant to the Planning Act:

CS 2025-04: Report from Peter Carello dated June 25, 2025 re: Proposed Zoning By-law Amendment by Tulloch Engineering on behalf of FGA Trades Inc. – 2890 Highway 11N

Infrastructure and Operations Committee

Chair: Councillor Mitchell

Vice Chair: Councillor Mayne

No Items to be Addressed.

Matters Remaining on Various Committees

GG 2025-05

Draft Recommendation:

"That the Mayor and Chief Financial Officer/Treasurer of The Corporation of the City of North Bay be authorized to approve the 2024 Consolidated Financial Statements."

City of North Bay Report to Council

Report No: CORP-2025-054

Date: June 4, 2025

Originator: Margaret Karpenko

Business Unit:

Corporate Services

Department:

Financial Services Department

Subject: 2024 Consolidated Financial Statements

Closed Session: yes ☐ no ☒

Recommendation

That Council authorize the Mayor and Chief Financial Officer/Treasurer of The Corporation of the City of North Bay to approve the 2024 Consolidated Financial Statements.

Background

Council received a preliminary report, CORP 2025-052, on June 3rd regarding the City's 2024 Consolidated Financial Statements. Subsequently, the draft Financial Statements have been completed and are attached as Appendix A to Supplemental Report to Council CORP 2025-054.

The City's auditor, KPMG LLP, will present their audit findings report on the 2024 Consolidated Financial Statements at the June 17th Committee Meeting.

It is important to highlight that these results are reported on a different basis than the City's annual budget. Annual Financial Statements are consolidated and prepared using full accrual accounting. This means that capital assets are not expensed when purchased but rather they constitute an asset and are amortized over their respective lives. Additionally, financial statements include allowances for future liabilities including employee future benefit costs and landfill post closure costs. Items that are included in the cash based budgets but that are excluded from the PSAB reporting of the annual surplus include debenture principal repayments, transfer to/from reserve funds, tangible capital asset costs, and debenture proceeds. Lastly, expenses are not organized and gathered by department or service area but rather by FIR categories set out by the Ministry of Municipal Affairs and Housing.

Financial/Legal Implications

See Options/Analysis for financial implications.

Corporate Strategic Plan

- | | |
|--|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

- Ensure the efficient and effective operations of the city, with particular consideration to the impact of decisions on the property tax rate
 - Ensure that Council and staff have a shared perception and goals
-

Options Analysis

2024 Consolidated Financial Statement Highlights

The Consolidated Financial Statements continue to report positive financial results for the City as evidenced through a positive net financial asset position, an increase in ongoing investments in tangible capital assets and an increase in discretionary reserve funds.

a) Financial assets

- Cash and cash equivalents and investments have increased by \$7 million from \$137.8 million in 2023 to \$145 million in 2024. Obligatory and discretionary reserve funds have increased by \$8.7 million to \$108 million in 2024.
- The increase in cash and investments is attributable to the cash based operational surpluses realized in 2024, the increase in obligatory reserve funds, and the timing differences that occur between the recognition of operational and capital expenditures recognized in the consolidated financial statements and the corresponding outlay of cash.
- Taxes receivable has increased by approximately \$1.9 million in 2024 (2023 increase was \$1.8 million). The City's taxes receivable as a percentage of taxes levied is 6.4% compared to 5% in 2023.

b) Financial liabilities

- The City's total liabilities have increased by \$2.37 million which primarily relates to an increase in accounts payable and accrued liabilities.

c) Tangible capital assets

- Tangible capital assets are amortized over their expected life; therefore, the annual investment in capital assets is offset by the

annual deterioration of the assets. There was a net increase of \$8.2 million in the City's capital assets balance in 2024. This amount represents an investment of \$39.6 million in acquisitions less \$29.8 million in amortization and \$1.5 million in disposals.

Key Indicators

- Debt-to-revenue ratio has decreased from 50.6% to 46.4%. The decrease in the ratio is the result of an increase in revenues of \$7.5 million.
- The debt servicing costs (including both principal and interest) to revenue has decreased from 5.1% to 4.2% as at December 31, 2024.
- Taxation revenue as a percentage of total revenue decreased from 55.2% in 2023 to 55% in 2024. Fluctuations in this ratio can occur as a result of variations in the amount of capital grants and other one-time revenue received from year to year.

Next Steps

KPMG LLP is scheduled to present the audit findings report at the June 17th Committee Meeting in advance of Council's approval of the 2024 Consolidated Financial Statements.

Recommended Option

That Council authorize the Mayor and Chief Financial Officer/Treasurer of The Corporation of the City of North Bay to approve the 2024 Consolidated Financial Statements.

Respectfully submitted,

Name: Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

I concur with this report and recommendation

Name: John Severino, P.Eng., MBA

Title: Chief Administrative Officer

Consolidated Financial Statements

**THE CORPORATION OF THE
CITY OF NORTH BAY**

Year ended December 31, 2024

DRAFT

THE CORPORATION OF THE CITY OF NORTH BAY

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Year ended December 31, 2024

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Chief Administrative Officer
John Severino
June 17, 2025

Chief Financial Officer/Treasurer
Margaret Karpenko
June 17, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the City of North Bay

Opinion

We have audited the accompanying consolidated financial statements of The Corporation of the City of North Bay (the Corporation), which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of remeasurement gains for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the City of North Bay as at December 31, 2024, and its consolidated results of operations, its consolidated remeasurement gains and losses, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor's Responsibilities for the Audit of the Financial Statements***” section of our report.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Canada

(date)

THE CORPORATION OF THE CITY OF NORTH BAY

Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
FINANCIAL ASSETS:		
Cash and cash equivalents	\$ 121,440,597	\$ 104,695,410
Investments (note 3)	23,608,354	33,069,319
Taxes receivable	7,993,094	6,032,849
Accounts receivable (note 4)	24,200,023	16,379,351
Other assets	858,946	1,241,237
Investment in government business enterprises (note 5(b))	59,742,420	57,718,031
	237,843,434	219,136,197
FINANCIAL LIABILITIES:		
Accounts payable and accrued liabilities (note 6)	32,016,899	27,391,687
Deferred revenue - general	1,091,762	1,461,419
Deferred revenue - obligatory reserve funds (note 7)	27,606,592	25,179,950
Post-employment benefits and compensated absences payable (note 8)	24,970,900	24,479,500
Asset retirement obligation (note 20)	5,923,700	5,849,331
Net long-term liabilities (note 9)	93,602,647	98,474,973
	185,212,500	182,836,860
NET FINANCIAL ASSETS	52,630,934	36,299,337
NON-FINANCIAL ASSETS:		
Tangible capital assets (note 19)	571,919,968	563,690,452
Other non-financial assets	4,066,155	3,772,239
Total accumulated surplus (note 11)	\$ 628,617,057	\$ 603,762,028
Total accumulated surplus is comprised of:		
Accumulated surplus - operations	627,568,541	602,703,069
Accumulated remeasurement gain	1,048,516	1,058,959
Total accumulated surplus (note 11)	\$ 628,617,057	\$ 603,762,028

Commitments and contractual rights (note 13)

Contingent liabilities (note 14)

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

On behalf of Council:

Mayor

Chief Financial Officer/Treasurer

THE CORPORATION OF THE CITY OF NORTH BAY

Consolidated Statement of Operations and Accumulated Surplus

December 31, 2024, with comparative information for 2023

	2024 Budget (note 18)	2024 Total	2023 Total
Revenues:			
Property taxation	\$ 105,239,464	\$ 106,504,941	\$ 103,109,058
Taxation from other governments	4,118,804	4,496,772	4,276,292
User charges	38,425,355	38,587,434	36,262,388
Government transfers and grants	48,014,763	30,988,352	28,308,529
Licenses, permit fees and rents	2,697,461	2,422,779	2,496,496
Investment income	1,100,000	5,942,723	5,445,328
Provincial Offences Act (note 17)	1,032,000	1,345,308	1,022,314
Other	5,531,090	8,288,262	10,559,551
Equity earnings of government business enterprises (note 5(a))	900,000	3,321,937	2,944,478
	207,058,937	201,898,508	194,424,434
Expenses:			
General government	6,343,865	9,608,814	8,842,674
Protection services	53,237,306	49,361,510	46,915,845
Transportation services	38,128,336	40,275,871	39,797,274
Engineering and environmental services	29,726,356	35,516,080	30,134,732
Community services	23,660,297	18,422,753	18,001,847
Recreation and cultural services	18,185,339	17,405,067	16,149,640
Planning and development	3,866,057	3,787,988	3,958,729
	173,147,556	174,378,083	163,800,741
Annual surplus before undernoted item	33,911,381	27,520,425	30,623,693
Cassellholme redevelopment commitment (note 9(a)(iii))	-	(2,654,953)	(2,502,085)
Annual surplus	33,911,381	24,865,472	28,121,608
Accumulated surplus - operations, beginning of year	602,703,069	602,703,069	574,581,461
Accumulated surplus - operations, end of year	\$ 636,614,450	\$ 627,568,541	\$ 602,703,069

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

THE CORPORATION OF THE CITY OF NORTH BAY

Consolidated Statement of Remeasurement Gains

December 31, 2024, with comparative information for 2023

	2024	2023
Accumulated remeasurement gains, beginning of year	\$ 1,058,959	\$ 1,117,670.00
Other comprehensive loss from government business enterprises (note 5(a))	(10,443)	(58,711)
Accumulated remeasurement gain, end of year	\$ 1,048,516	\$ 1,058,959

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

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THE CORPORATION OF THE CITY OF NORTH BAY

Consolidated Statement of Changes in Net Financial Assets

December 31, 2024, with comparative information for 2023

	2024 Budget (note 18)	2024 Total	2023 Total
Annual surplus	\$ 33,911,381	\$24,865,472	\$ 28,121,608
Acquisition of tangible capital assets	(65,658,946)	(39,561,621)	(39,380,817)
Amortization of tangible capital assets	27,260,189	29,798,196	28,732,385
Loss on disposal of tangible capital assets and surplus land	-	1,016,256	91,749
Disposal of tangible capital assets proceeds	-	517,653	388,953
	(38,398,757)	(8,229,516)	(10,167,730)
Increase in other non-financial assets	-	(293,916)	(922,082)
Change in net financial assets excluding remeasurement gains	(4,487,376)	16,342,040	17,031,796
Net financial assets, beginning of year	36,299,337	36,299,337	19,326,252
Other comprehensive loss from government business enterprises (note 5(a))	-	(10,443)	(58,711)
Net financial assets, end of year	\$ 31,811,961	\$52,630,934	\$ 36,299,337

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

THE CORPORATION OF THE CITY OF NORTH BAY

Consolidated Statement of Cash Flows

December 31, 2024, with comparative information for 2023

	2024	2023
Operating transactions:		
Annual surplus	\$ 24,865,472	\$ 28,121,608
Items not involving cash:		
Amortization of tangible capital assets	29,798,196	28,732,385
Contributed tangible capital assets	-	(3,348,887)
Equity earnings of government business enterprises	(3,321,937)	(2,944,478)
Increase in post-employment benefits and compensated absences payable	491,400	724,100
Increase in asset retirement obligations (note 20(b))	74,369	-
Loss on disposal of tangible capital assets and surplus land	1,016,256	91,749
Cassellholme redevelopment commitment	2,654,953	2,502,085
	55,578,709	53,878,562
Changes in non-cash working capital (note 23)	(3,010,345)	(118,072)
	52,568,364	53,760,490
Capital transactions:		
Disposal of tangible capital assets and surplus land proceeds	517,653	388,953
Acquisition of tangible capital assets	(39,561,621)	(36,031,930)
	(39,043,968)	(35,642,977)
Investing transactions:		
Decrease (increase) in investments	9,460,965	(566,452)
Cash dividend received from government business enterprises (note 5(b))	1,287,105	1,749,706
	10,748,070	1,183,254
Financing transactions:		
Repayment of net long-term liabilities (note 9(a)(iv))	(7,527,279)	(8,874,102)
	(7,527,279)	(8,874,102)
Net change in cash and cash equivalents	16,745,187	10,426,665
Cash and cash equivalents, beginning of year	104,695,410	94,268,745
Cash and cash equivalents, end of year	\$ 121,440,597	\$ 104,695,410

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

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

The Corporation of the City of North Bay is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act 2001, Provincial Offences Act and other related legislation.

1. Significant accounting policies:

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

a) Reporting entity:

i) Consolidated entities:

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

- North Bay Public Library Board ("Library")
- North Bay Police Services Board ("Police Services Board")
- Invest North Bay Development Corporation ("inbay")
- Board of Management For The Downtown Improvement Area ("DIA")
- North Bay Hydro Holdings Limited ("Holdco")
- North Bay Jack Garland Airport Corporation ("Airport")

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

ii) Investment in Government Business Enterprises:

Government business enterprises are accounted for by the modified equity method. Under this method the business enterprises' accounting principles are not adjusted to conform with those of the City and inter-organizational transactions and balances are not eliminated. The government business enterprises included during the year and summarized in note 5 are:

- North Bay Hydro Distribution Limited
- North Bay Hydro Services Inc.

iii) Other entities:

The following joint local boards are not consolidated:

- The Board of Management for the District of Nipissing East ("Cassellholme")
- North Bay Parry Sound District Health Unit
- District of Nipissing Social Services Administration Board ("DNSSAB")

iv) Accounting for school board transactions:

The taxation, other revenues, expenses, assets and liabilities of Near North District School Board, Nipissing-Parry Sound Catholic District School Board, Conseil scolaire public du Nord-Est de l'Ontario, and Conseil scolaire catholique Franco-Nord are not reflected in these consolidated financial statements.

b) Basis of accounting:

Sources of financing and expenses are reported on the accrual basis of accounting. This method recognizes revenues as they become available and measurable. Expenses 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.

c) Cash and cash equivalents:

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

d) Investments:

Investments are recorded at cost. Temporary declines in the market value of the long-term investments are not adjusted.

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

e) Inventories:

Included in other non-financial assets are inventories of goods and supplies which are priced at average cost on the same basis as the preceding year. Inventories of fleet parts and fuel are priced using First In First Out ("FIFO") method.

f) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs attributable to acquisition or construction, development or betterment of the tangible capital asset including but not limited to transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed capital assets are recorded at fair value at the time of receipt, with a corresponding amount recorded as revenue, when fair value can be reasonably estimated. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year the asset is available for productive use as follows:

Land improvements	7 to 40 Years
Buildings	10 to 100 Years
Vehicles	2 to 30 Years
Machinery and equipment	3 to 40 Years
Computer hardware and software	4 to 12 Years
Roads infrastructure	5 to 40 Years
Water and sewer infrastructure	50 to 75 Years
Bridges and structures	75 Years
Leasehold improvements	40 Years
Work in process	No Amortization Prior to Project Completion

g) Non-pension post-employment benefits and post-employment sick leave benefits:

The City accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits. The City has adopted the following valuation methods and assumptions:

i) Actuarial cost method:

Accrued benefit obligations are computed using the projected benefit method pro rated on service, as defined in PSAB 3250 and PSAB 3255. The objective under this method is to expense each member's benefit under the plan taking into consideration projections of benefit costs to and during retirement. Under this method an equal portion of total estimated future benefit is attributed to each year of service.

ii) Funding policy:

The non-pension post retirement and post-employment benefits are funded on a pay-as-you-go basis. The City funds on a cash basis as benefits are paid. No assets have been formally segregated and restricted to provide the non-pension retirement and post-employment benefits.

iii) Accounting policies:

Actuarial gains and losses are amortized on a linear basis over the expected average remaining service life ("EARSLS") of members expected to receive benefits under the plan, with amortization commencing in the period following the determination of the gain or loss. Obligations are attributed to the period beginning on the member's date of hire and ending on the expected date of termination, death or retirement, depending on the benefit value. The City's fiscal year-end is December 31 and the measurement date of the City's obligation is such.

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

h) Taxation and related revenues:

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established by City Council, incorporating amounts to be raised for local services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known or the amount can be reasonably estimated. The City is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

i) Government transfers and grants:

Government transfers and grants are recognized as revenue in the financial statements 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 statement of operations as the stipulation liabilities are settled.

j) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the City:
 - (i) is directly responsible; or
 - (ii) accepts responsibility
- (d) it is expected that future economic benefit will be given up; and
- (e) a reasonable estimate of the amount can be made.

The liability includes all costs directly attributable to remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. If the likelihood of the City's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the costs are to be disclosed as a contingent liability in the notes to the consolidated financial statements.

k) Investment income:

Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory funds such as development charges and parkland allowances is added to the associated funds and forms part of the respective deferred revenue balances.

l) User fees and other revenues:

User fees and other revenues are reported recognized when the goods are sold or the services are provided, performance obligations fulfilled, and future economic benefits are measureable and expected to be obtained.

m) Use of estimates:

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

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

n) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operation. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from accumulated remeasurement gains and recognized in the statement of operations. Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded a fair value, as described below:

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value measurements are those derived from market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data

o) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that the future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the City has also been recognized based on estimated future expenses on closure of the site and post-closure care.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in note 1(f).

2. Change in accounting policies:

PS 3400 Revenue

On January 1, 2024, the City adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at December 31, 2024 the City determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

3. Investments:

	2024	2023
Investments - bonds and GICs	\$ 23,608,354	\$ 33,069,319
Total investments, end of year	\$ 23,608,354	\$ 33,069,319

The City's investments totalling \$23,608,354 (2023 - \$33,069,319) are reported at cost and mature between July 2025 to December 2028, with yields ranging from 1.15% to 5.25% (2023 - 1.15% to 5.25%). The current short-term portion equals \$5,450,778 (2023- \$9,460,965).

4. Accounts receivable:

	2024	2023
Government of Canada	\$ 10,537,851	\$ 6,115,960
Province of Ontario	7,082,677	4,901,473
Other municipalities	4,865	45,194
North Bay Hydro Distribution Limited (note 5(a)(vi))	18,878	28,427
North Bay Hydro Services Inc. (note 5(a)(vii))	167,098	271,089
User fees and other	6,388,654	5,017,208
Total accounts receivable	\$ 24,200,023	\$ 16,379,351

5. Government business enterprises:

a) North Bay Hydro:

The City holds 100% of the shares of North Bay Hydro Holding Limited ("Holdco"). Holdco holds 100% of the shares of North Bay Hydro Distribution Limited ("Distribution") and North Bay Hydro Services Inc. ("Services"). The following provides condensed combined financial information for Distribution and Services.

	2024	2023
Combined Statement of Financial Position		
Total Assets	\$ 153,852,967	\$ 149,945,637
Total Liabilities	\$ 94,109,452	\$ 92,227,606
Accumulated Remeasurement Gains	\$ 1,048,516	\$ 1,058,959
Net Assets	58,694,999	56,659,072
Total Liabilities and Net Assets	\$ 153,852,967	\$ 149,945,637
Combined Statement of Operations		
Total Revenues	\$ 91,361,298	\$ 82,651,067
Total Expenses	88,039,361	79,706,589
Net income	\$ 3,321,937	\$ 2,944,478
Other Comprehensive income (loss)	\$ (10,443)	\$ (58,711)
Net Income and comprehensive income	\$ 3,311,494	\$ 2,885,767

Related party transactions between Hydro and the City are summarized as follows:

- The City purchased electricity and services from Distribution including electrical energy in the amount of \$2,093,572 (2023 - \$2,020,251), street light energy in the amount of \$426,486 (2023 - \$410,403), and construction activity in the amount of \$103,644 (2023 - \$10,536).
- The City purchased street light maintenance from Services in the amount of \$129,948 (2023 - \$45,925) and electrical energy in the amount of \$420,098 (2023 - \$402,930) for the Community Energy Park.
- The City received municipal taxes from Distribution in the amount of \$120,608 (2023 - \$117,315).
- Distribution purchased goods and services from the City totalling \$231,544 (2023 - \$240,873).
- Services purchased methane gas from the City totalling \$68,790 (2023 - \$104,619).
- At December 31, 2024, the City balances include accounts receivable of \$18,878 (2023 - \$28,427) and accounts payable and accrued liabilities of \$2,707 (2023 - \$318,138) due to/from Distribution.
- At December 31, 2024, the City balances include accounts receivable of \$167,098 (2023 - \$271,089) and accounts payable and accrued liabilities of \$99,910 (2023 - \$89,162) due to/from Services.

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

b) Investment in government business enterprises:

	2024	2023
Investment in government business enterprises, beginning of year	\$ 57,718,031	\$ 56,581,970
Equity earnings	3,311,494	2,885,767
Cash dividend received	(1,287,105)	(1,749,706)
Investment in government business enterprises, end of year	\$ 59,742,420	\$ 57,718,031

6. Accounts payable and accrued liabilities:

	2024	2023
Government of Canada	\$ 157,050	\$ 665,493
Province of Ontario	235,143	550,612
Other municipalities	3,544	188,393
Interest on debt	52,894	63,386
Trade accounts payable	22,859,543	17,149,923
North Bay Hydro Distribution Limited (note 5(a)(vi))	2,707	318,138
North Bay Hydro Services Inc. (note 5(a)(vii))	99,910	89,162
Liability for contaminated sites (note 15)	1,033,163	1,096,324
Accrued liabilities	7,572,945	7,270,256
Total accounts payable and accrued liabilities	\$ 32,016,899	\$ 27,391,687

7. Deferred revenue - obligatory reserve funds:

	2024	2023
Balance, beginning of the year	\$ 25,179,950	\$ 24,173,725
Canada Community - Building Fund contributions	3,362,342	3,412,198
Provincial Gas Tax contributions	784,736	914,298
Ontario Community Infrastructure Fund contributions	5,733,534	5,593,744
Development contributions	355,609	144,676
Investment income	1,451,975	1,559,667
Northern Ontario Resource Development Support (NORDS)	334,624	373,646
Hazardous Materials CBRNE Response Program contributions	39,062	65,436
Connecting Link contributions	-	1,500,000
Next Generation 9-1-1	569,554	-
Building Faster Fund (BFF)	280,000	-
Utilization of funds	(10,484,794)	(12,557,440)
Deferred revenue - obligatory reserve funds, end of year	\$ 27,606,592	\$ 25,179,950

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

7. Deferred revenue - obligatory reserve funds (continued):

	2024	2023
Analyzed as follows:		
Development Charges	\$ 4,397,269	\$ 4,165,779
Canada Community - Building Fund	9,442,806	10,427,820
Provincial Gas Tax Fund	1,628,617	1,366,313
Ontario Community Infrastructure Fund	6,781,441	4,401,497
Cash in lieu of Parkland	886,637	824,999
Building Code Act	2,070,575	2,320,533
Cannabis Legalization Implementation Fund	220,353	209,543
Hazardous Materials CBRNE Response Program	245,240	195,366
Municipal Modernization Fund	20,909	19,884
Northern Ontario Resource Development Support (NORDS)	1,604,725	1,248,216
Next Generation 9-1-1	23,978	-
Building Faster Fund (BFF)	284,042	-
Deferred revenue - obligatory reserve funds, end of year	\$ 27,606,592	\$ 25,179,950

Included in cash and cash equivalents are restricted amounts of \$27,606,592 (2023 - \$25,179,950) with respect to the above obligatory reserve funds.

8. Post-employment benefits and compensated absences payable:

	2024	2023
Sick leave benefits	\$ 8,932,000	\$ 9,162,000
Supplementary health benefits	13,472,800	13,030,600
WSIB top-up income plan	2,566,100	2,286,900
Total post-employment benefits and compensated absences payable	\$ 24,970,900	\$ 24,479,500

The sick leave benefit provides certain eligible employees with vested and non-vested sick leave days that accumulated beyond the 12 month period. The above sick leave benefit liability estimate includes compensated absences equal to the use of accumulated sick leave prior to retirement as well as any lump-sum payments upon retirement.

The City maintains a vested sick leave plan covering all Fire Association employees hired before December 31, 1997, Police Services Board and Police Association employees hired before September 1, 1977, and all Library employees hired prior to August 31, 1987.

In addition, the City has a defined supplementary health benefit plan that provides medical, dental and life insurance to certain eligible City employees, Fire Association employees, Police Association employees and Library employees who retire from current employment. The above supplementary health benefit liability estimates the expense of each member's benefit under the plan taking into consideration projections of benefit costs to and during retirement up to the age of 65.

Plan amendments in 2021 included the addition of the healthcare spending account ("HCSA") for Fire retirees, changes to the HCSA for Police retirees and the provision of health and dental benefit coverage for Fire and Police employees in receipt of a WSIB loss-of-earnings benefit.

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

8. Post-employment benefits and compensated absences payable (continued):

The WSIB top-up income plan reflects the top-up to 100% of net pay for Fire and Police employees in receipt of a WSIB loss-of-earnings benefit.

Information about the City's defined supplementary health benefit and sick leave plan is as follows:

	2024	2023
Sick leave benefits:		
Accrued benefit, beginning of year	\$ 9,162,000	\$ 9,037,100
Amortization of unamortized actuarial gains/losses and other	(74,000)	(28,700)
Service cost for the year	881,500	868,900
Interest expense for the year	359,800	400,700
Benefits paid during the year	(1,397,300)	(1,116,000)
Accrued benefit liability and projected obligation, end of year	\$ 8,932,000	\$ 9,162,000
Supplementary health benefits:		
Accrued benefit, beginning of year	\$ 13,030,600	\$ 12,660,000
Amortization of unamortized actuarial gains/losses and other	123,200	13,100
Service cost for the year	654,900	590,500
Interest expense for the year	593,500	570,100
Benefits paid during the year	(929,400)	(803,100)
Accrued benefit liability and projected obligation, end of year	\$ 13,472,800	\$ 13,030,600
WSIB Top-Up Income Plan benefits:		
Accrued benefit, beginning of year	2,286,900	2,058,300
Amortization of unamortized actuarial gains/losses and other	\$ 113,500	\$ 193,100
Service cost for the year	1,186,300	1,157,400
Interest expense for the year	126,200	136,700
Benefits paid during the year	(1,146,800)	(1,258,600)
Accrued benefit liability and projected obligation, end of year	\$ 2,566,100	\$ 2,286,900

A comprehensive actuarial valuation was completed as at December 31, 2024 by an actuarial firm. The next valuation date will be as at December 31, 2027. The main actuarial assumptions employed for the valuations are as follows:

- i) The discount rate for supplemental health benefits was assumed at 4.30% per annum for Accrued Benefit Obligation (2023 - 4.30%) and 4.30% per annum for the 2024 expense (2023 - 4.60%).
- ii) The discount rate for sick leave benefits was assumed at 4.30% per annum for Accrued Benefit Obligation (2023 - 4.30%) and 4.30% per annum for the 2024 expense (2023 - 4.60%).
- iii) Future general salary and wage levels were assumed to increase 3% per annum.
- iv) Health costs were assumed at 6.15% per annum for 2024, reducing to 4.00% by 2045.
- v) Dental costs were assumed at 6.10% per annum for 2024, reducing to 4.00% by 2045.
- vi) The expected average remaining service life is 11 years for the supplemental health benefits and sick leave benefits. The expected average remaining service life is 2 years for the WSIB Top-Up Plan.

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

9. Net long-term liabilities:

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

	2024	2023
Debentures (i)	\$ 26,200,771	\$ 33,011,665
Term loans (ii)	4,324,638	5,041,023
Cassellholme redevelopment commitment (iii)	63,077,238	60,422,285
Total net long-term liabilities (b)	\$ 93,602,647	\$ 98,474,973

- (i) The debentures bear interest at rates of 1.44% to 4.22%, repayable in semi-annual principal payments of \$225,000 (2023 - \$225,000) and monthly principal payments of \$478,825 (2023 - \$530,074) plus interest, maturing in April 2025 to October 2032.
- (ii) The term loans bear interest at rates of 2.25% to 2.73%, repayable in monthly principal payments of \$59,699 (2023 - \$59,699) plus interest, maturing in December 2027 to February 2036. As a condition of its credit facilities, the City must maintain certain restrictive covenants. As at December 31, 2024, the City was in compliance with all restrictive covenants. Subsequent to year end, the City did not meet its restrictive financial reporting covenant, and as such, was non-compliant with this covenant.
- (iii) The City is a participating municipality of a northern joint municipal home, Cassellholme, and is responsible for its share of funding in accordance with the Fixing Long-Term Care Act, 2021, S.O. 2021, c. 39, Sched. 1 (the "FLTCA"). During 2022, construction for the redevelopment and expansion of the existing 240-bed long-term care facility commenced and Cassellholme entered into a Financing Agreement with Ontario Infrastructure and Lands Corporation ("OILC") for the redevelopment project. In accordance with the FLTCA, the City will be responsible for its share of annual principal and interest payments incurred by Cassellholme upon completion of the project. Based on a municipal borrowing rate of 4.49% for a 30 year period, the present value of the expected payments commencing in 2026 is \$63,077,238, an increase of \$2,654,953 over the prior year.

During 2022, the City entered into a Guarantee and Postponement of Claims agreement with the Ontario Infrastructure and Lands Corporation ("OILC") for the redevelopment project. Under the terms of the agreement, the City is named as a joint guarantor in regards to a Financing Agreement between Cassellholme and OILC. In the event of default, the City's maximum liability is \$46.1 million being the maximum amount of principal owing plus any accrued interest.

- (iv) Total 2024 principal payments for long-term liabilities totalled \$7,527,279 (2023 - \$8,874,102).

- b) The aggregate maturities of the net long-term liabilities are as follows:

	2024
2025	6,462,280
2026	6,197,323
2027	5,379,644
2028	4,980,704
2029 and thereafter	70,582,696
Total net long-term liabilities	\$ 93,602,647

	2024
The repayments are summarized as follows:	
From municipal revenues	\$ 88,285,792
From user fees	3,966,855
From reserve funds	1,350,000
Total net long-term liabilities	\$ 93,602,647

- c) The long-term liabilities reported in 9(a)(i) and 9(a)(ii), as well as the guarantee reported in 9(a)(iii), issued in the name of the City, have been approved by municipal by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

10. Interest on long-term liabilities:

Total interest charges for the year on long-term liabilities reported in the Consolidated Statement of Operations and Accumulated Surplus are as follows:

	2024	2023
General government	\$ 7,286	\$ 8,586
Protection services	5,862	8,184
Transportation services	332,119	411,591
Engineering and environmental services	404,207	503,383
Recreation and cultural services	174,728	199,802
Total interest payments	\$ 924,202	\$ 1,131,546

Interest includes accruals on long-term liabilities outstanding in the amount of \$52,894 (2023 - \$63,386).

11. Accumulated surplus:

	2024	2023
Investment in tangible capital assets	\$ 571,919,968	\$ 563,690,452
General surplus	40,778,196	36,449,582
Accumulated rereasurement gains	1,048,516	1,058,959
Reserve funds	80,536,780	74,207,684
Equity in government business enterprises	59,742,420	57,718,031
Amounts to be recovered:		
Post employment benefits and compensated absences	(24,970,900)	(24,479,500)
Asset Retirement Obligation	(5,802,114)	(5,797,228)
Contaminated Sites	(1,033,162)	(610,979)
Net long-term liabilities	(93,602,647)	(98,474,973)
Accumulated surplus, end of year	\$ 628,617,057	\$ 603,762,028

12. Pension agreements:

The City makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer pension plan, on behalf of all permanent, full-time members of its staff and part-time staff who have elected to join. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 639,765 active and retired members and over 1,000 employers.

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. On December 31, 2024, the total actuarial liabilities of \$142.5 million in respect of benefits accrued for service with actuarial assets at that date of \$139.6 million indicating an actuarial deficit of \$2.9 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The Municipality has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. As a result, the City does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the City to OMERS for 2024 were \$5,609,897 (2023 - \$5,490,770).

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

13. Commitments and contractual rights:

a) Commitments:

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

b) Contractual rights:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise from a lease agreement with the DNSSAB for the rental of office space and the recovery of occupancy costs and support services provided by the City to the DNSSAB.

14. Contingent liabilities:

The City is subject to various litigation and claims arising in the normal course of its operations. The final outcome of the outstanding claims cannot be determined at this time. However, management believes that the ultimate disposition of these matters will not materially exceed the amounts recorded in the accounts. Any amendments to amounts accrued will be recorded once new information becomes available.

15. Liability for contaminated sites:

The City has a monitoring program in place to identify and assess contaminated sites on an ongoing basis to determine if remediation is required under legislation. The City's financial statements include a liability of \$1,033,163 (2023 - \$1,096,324) relating to contaminated site remediation costs. The liability for remediation costs is determined using management's best estimate of costs based on engineering and other professional reports, testing, anticipated timing of the future expenditures and recoveries. Due to the nature of this liability, including the assumptions inherent in its quantification, this amount may change in the future if additional or less costs are estimated, legislation changes occur, or timing of future expenditures change. Any changes to this liability will be recognized as an expense or recovery in the Consolidated Statement of Operations and Accumulated Surplus in the year they become known. This amount has been recorded as a liability at year end and has been included in accounts payable and accrued liabilities on the Consolidated Statement of Financial Position.

The City has identified one (2023 - one) inactive landfill site for which it retains responsibility for all costs relating to closure and post-closure care.

Post-closure care activities for landfill sites are expected to occur in perpetuity and will involve surface and ground water monitoring, maintenance of drainage structures, monitoring leachate and landfill gas, and maintenance of the landfill cover.

The estimated liability for the care of inactive landfill sites is the present value of future cash flows associated with closure and post-closure costs discounted using an estimated annual inflation rate of 2% (2023 - 3%). The estimated present value of future expenditures for post-closure care is \$643,394 (2023 - \$610,979), which has been included in the liability above.

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

16. Public liability insurance:

For the period of 2004 to 2007, the City was insured with the Ontario Municipal Insurance Exchange ("OMEX"), an insurance reciprocal whose members pool their insurance coverage. As a member of a reciprocal, the City agreed to assume a certain percentage of the entire group's liabilities and losses for the period of time that the City was a member. In the event that an annual premium funding becomes insufficient to cover claims and claim reserves, the reciprocal has the ability to re-assess each member to appropriately fund the difference. As the claims for the above-noted period are settled, the City may either incur new liabilities or receive refunds.

17. Provincial Offences Act:

The Ministry of the Attorney General requires all municipal partners administering Provincial Offences Act ("POA") to disclose in the year-end audited consolidated financial statements a note on the gross and net provincial offences revenues earned. The table below is presented on an accrual basis of accounting whereas distributions to participating partners are done on a cash basis. The following table provides condensed financial information required by the terms in the Memorandum of Understanding ("MOU") for its 2024 fiscal year with comparative 2023 figures:

	2024	2023
Revenues (net of refunds)	\$ 1,345,308	\$ 1,022,314
Expenses: Provincial charges	117,613	115,039
Operating expenses	1,082,057	882,627
	1,199,670	997,666
Net revenue (loss)	\$ 145,638	\$ 24,648

The City shares net revenues/losses with participating partners on a cash basis. In 2024, the City retained \$151,691 (2023 - \$39,910) and transferred \$120,217 to participating partners (2023 - \$31,629).

The City's Consolidated Statement of Operations and Accumulated Surplus includes an accrual for POA receivables in the amount of \$209,334 (2023 - \$214,544).

18. Budget:

Budget data presented in these consolidated financial statements is based on the 2024 operating, water and sewer operating and capital budgets approved by Council. The chart below reconciles the approved net budget figure prepared on a cash basis with the budget figures presented in these consolidated financial statements. Budget figures have been reclassified for purposes of these consolidated financial statements to comply with PSAB reporting requirements.

	2024
Budget By-law for the year	\$ 91,000
Add: Debt principal repayments	7,527,279
Investment in tangible capital assets	65,658,946
Less: Amortization of tangible capital assets	(27,260,189)
Post employment benefits and compensated absences payable	(693,300)
Landfill closure and post-closure liabilities	(171,308)
Other transfers and adjustments	(5,336,547)
Debt proceeds	(5,904,500)
Budget surplus per Consolidated Statement of Operations and Accumulated Surplus	\$ 33,911,381

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

19. Tangible capital assets:

	Land & Land Improvements	Buildings	Vehicles	Machinery & Equipment	Computer Hardware & Software	Roads	Water & Sewer	Bridges & Structures	Leasehold Improvements	Work in Process	2024 Total
Cost, beginning of year	134,319,784	167,339,776	40,507,260	117,747,746	9,925,292	311,810,117	251,069,857	53,599,269	1,851,577	17,382,106	1,105,552,784
Additions during the year	3,568,401	3,776,747	5,496,976	13,151,376	937,467	7,438,629	4,203,377	55,923	-	12,619,882	51,248,778
Disposals during the year	(916,401)	(672,336)	(1,468,692)	(13,930,738)	(5,535,044)	(4,319,744)	(119,456)	-	-	(11,687,157)	(38,649,568)
Writedowns during the year	-	-	-	(118,459)	-	-	(4,239)	-	-	-	(122,698)
Cost, end of year	136,971,784	170,444,187	44,535,544	116,849,925	5,327,715	314,929,002	255,149,539	53,655,192	1,851,577	18,314,831	1,118,029,296
Accumulated amortization, beginning of year	72,123,129	64,211,784	23,213,941	80,097,526	8,495,211	179,741,619	96,240,450	17,136,912	601,760	-	541,862,332
Amortization expense	2,587,226	3,658,685	3,037,576	5,353,935	753,084	10,091,675	3,417,733	851,993	46,289	-	29,798,196
Disposals during the year	(916,401)	(510,498)	(1,402,058)	(13,689,489)	(5,532,968)	(3,442,023)	(57,763)	-	-	-	(25,551,200)
Accumulated amortization, end of year	73,793,954	67,359,971	24,849,459	71,761,972	3,715,327	186,391,271	99,600,420	17,988,905	648,049	-	546,109,328
Net book value, beginning of year	62,196,655	103,127,992	17,293,319	37,650,220	1,430,081	132,068,498	154,829,407	36,462,357	1,249,817	17,382,106	563,690,452
Net book value, end of year	63,177,830	103,084,216	19,686,085	45,087,953	1,612,388	128,537,731	155,549,119	35,666,287	1,203,528	18,314,831	571,919,968

	Land & Land Improvements	Buildings	Vehicles	Machinery & Equipment	Computer Hardware & Software	Roads	Water & Sewer	Bridges & Structures	Leasehold Improvements	Work in Process	2023 Total
Cost, beginning of year	\$ 133,257,706	\$ 166,033,457	\$ 42,051,320	\$ 114,083,231	\$ 8,909,396	\$ 299,261,623	\$ 244,765,251	\$ 52,282,759	\$ 1,851,577	\$ 11,615,593	\$ 1,074,111,913
Additions during the year	\$ 1,634,106	\$ 1,343,901	\$ 4,629,559	\$ 3,999,887	\$ 1,015,896	\$ 13,116,604	\$ 6,443,512	\$ 1,430,850	\$ -	\$ 9,956,345	\$ 43,570,660
Disposals during the year	\$ (572,028)	\$ (37,582)	\$ (6,173,619)	\$ (335,372)	\$ -	\$ (568,110)	\$ (138,906)	\$ (114,340)	\$ -	\$ (4,189,832)	\$ (12,129,789)
Writedowns during the year											
Cost, end of year	\$ 134,319,784	\$ 167,339,776	\$ 40,507,260	\$ 117,747,746	\$ 9,925,292	\$ 311,810,117	\$ 251,069,857	\$ 53,599,269	\$ 1,851,577	\$ 17,382,106	\$ 1,105,552,784
Accumulated amortization, beginning of year	\$ 70,231,286	\$ 60,630,175	\$ 26,443,742	\$ 75,400,507	\$ 7,822,743	\$ 170,148,655	\$ 92,962,688	\$ 16,393,924	\$ 555,471	\$ -	\$ 520,589,191
Amortization expense	\$ 2,463,871	\$ 3,619,191	\$ 2,688,053	\$ 5,027,390	\$ 672,468	\$ 9,993,499	\$ 3,370,377	\$ 851,247	\$ 46,289	\$ -	\$ 28,732,385
Disposals during the year	\$ (572,028)	\$ (37,582)	\$ (5,917,854)	\$ (330,371)	\$ -	\$ (400,535)	\$ (92,615)	\$ (108,259)	\$ -	\$ -	\$ (7,459,244)
Accumulated amortization, end of year	\$ 72,123,129	\$ 64,211,784	\$ 23,213,941	\$ 80,097,526	\$ 8,495,211	\$ 179,741,619	\$ 96,240,450	\$ 17,136,912	\$ 601,760	\$ -	\$ 541,862,332
Net book value, beginning of year	\$ 63,026,420	\$ 105,403,282	\$ 15,607,578	\$ 38,682,724	\$ 1,086,653	\$ 129,112,968	\$ 151,802,563	\$ 35,888,835	\$ 1,296,106	\$ 11,615,593	\$ 553,541,472
Net book value, end of year	\$ 62,196,655	\$ 103,127,992	\$ 17,293,319	\$ 37,650,220	\$ 1,430,081	\$ 132,068,498	\$ 154,829,407	\$ 36,462,357	\$ 1,249,817	\$ 17,382,106	\$ 563,690,452

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

20. Asset retirement obligation:

The City's asset retirement obligation consists of several obligations as follows:

a) Landfill obligation:

The City owns a landfill site. The liability for the closure of operational sites and post-closure care has been recognized under *PS 3280 Asset Retirement Obligation*. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 35 years post this date.

The landfill is expected to reach its capacity in 15.67 years, and the estimated remaining capacity is 977,226 cubic meters, which is 65.7% of the site's total capacity.

Post-closure care for the landfill sites is estimated to be required for 35 years from the date of site closure. These costs were discounted to December 31, 2024 using a discount rate of 3% per annum.

b) Asbestos obligation:

The City owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove or remediate it. Following the adoption of *PS 3280 Asset Retirement Obligation*, the City recognized an obligation relating to the removal and post-removal care of the asbestos in these building as estimated at December 31, 2024. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Landfill closure	Asbestos removal	Balance at December 31, 2024
Opening balance	\$ 4,462,607	\$ 1,386,724	\$ 5,849,331
Adjustment	\$ 116,683	\$ (42,314)	\$ 74,369
Closing balance	\$ 4,579,290	\$ 1,344,410	\$ 5,923,700

Asset Retirement Obligation	Landfill closure	Asbestos removal	Balance at December 31, 2023
Opening balance	\$ 4,462,607	\$ 1,386,724	\$ 5,849,331
Adjustment	\$ -	\$ -	\$ -
Closing balance	\$ 4,462,607	\$ 1,386,724	\$ 5,849,331

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Financial Statements

Year ended December 31, 2024

21. Segmented information:

For each reported segment, revenues and expenditures represent both amounts that are directly attributed to the segment, as well as amounts that are allocated to the segments on a reasonable basis. The accounting policies followed in the segments are consistent with the accounting policies followed in the preparation of these consolidated financial statements as disclosed in note 1. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a) General Government:

General Government consists of the Office of the Mayor, Council expenses, Administrative Services (including Clerks, Elections and Legal Services), Human Resources, Financial Services Departments and Strategic Initiatives (Communications and Information Technology Services). Areas within the General Government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

b) Protection Services:

Protection Services is comprised of Fire, Police, contributions to the North Bay Mattawa Conservation Authority, contributions to the North Bay Humane Society, Building Services, Emergency Measures and management of Provincial Offences Act. Police services provides adequate and effective policing that meets the needs of the community in areas of crime prevention, law enforcement, assistance to victims of crime, public order and emergency response. Fire Protection includes fire suppression services, fire prevention programs, fire safety education, rescue and emergency services and the training of persons involved in the provision of these activities. Building Services processes permit applications and ensures compliance with the Ontario Building Code and with By-Laws enacted by Council.

c) Transportation Services:

Transportation Services consists of year-round road maintenance, parking, traffic signals, street lighting, transit services and air transportation. Activities include the maintenance of roadsides defined as sidewalks and walkways. This service is responsible for the operational integrity of the roadway system through year-round surface maintenance and winter maintenance. The parking department provides and manages public parking both on and off street and ensures that available parking spaces are shared between both long and short-term parkers to allow the greatest possible access for visitors to the central business district. Traffic signal services provide the planning, design, operation and maintenance of the City's street lights and traffic signal networks. Public transit is responsible for the operation of a public transportation system including the maintenance and repairs of the fleet of transit buses. This section also includes the revenues and expenses of the Airport.

d) Engineering and Environmental Services:

Environmental Services consists of water supply and distribution, wastewater treatment, storm sewer systems, waste collection, waste disposal and recycling. This division ensures the supply and quality of the City's drinking water, processes and cleans wastewater to meet all Provincial standards and provides waste disposal and recycling services.

e) Community Services:

The City provides transfer payments to public health services to improve the overall health of the population by providing various services to individuals and the community. Social and family services provides services that are meant to help the less fortunate in society and support Cassellholme. Social housing is provided to help shelter families and elderly in need. Childcare funding is provided to subsidize daycares and to provide early learning programs. The ambulance service transports the injured to the hospital and provides emergency medical care to those in need.

f) Recreation and Cultural Services:

Recreation and Cultural Services includes parks services, recreational programs, recreation facilities, the library, and other cultural services and activities. Parks and recreation services develop and deliver high-quality recreational programs, and develop and maintain recreational facilities, parks and sports fields to ensure all residents have the opportunity to enjoy a healthy lifestyle. Cultural services invest in local non-profit organizations that deliver services on behalf of the City. Library services provide library services to the citizens. Recreational and cultural programs include festivals and various community events.

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Financial Statements

Year ended December 31, 2024

21. Segmented information (continued):

g) Planning and Development:

Planning and Development includes Planning and Economic Development departments, inbay and the DIA. The Planning department is responsible for the planning and review of property development plans and the City's future direction. Economic Development generates opportunities in the community to strengthen the economic base of the City.

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CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

21. Segmented information (continued):

	General Government	Protection	Transportation	Engineering & Environmental	Community Services	Recreation & Cultural	Planning & Development	Unallocated	2024 Total
Revenues:									
Property taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,504,941	\$ 106,504,941
Taxation from other governments	-	-	-	-	-	-	-	4,496,772	\$ 4,496,772
User charges	358,245	426,112	6,217,697	29,319,130	-	2,176,734	89,516	-	\$ 38,587,434
Government transfers and grants	-	2,718,811	10,265,782	4,049,301	-	3,517,005	239,253	10,198,200	\$ 30,988,352
License, permits fees and rents	595,171	1,107,002	30,622	-	-	645,494	44,490	-	\$ 2,422,779
Investment income	5,888,179	-	54,544	-	-	-	-	-	\$ 5,942,723
Provincial Offences Act	-	1,345,308	-	-	-	-	-	-	\$ 1,345,308
Other	4,787,436	550,122	167,659	1,602,445	-	1,165,354	15,246	-	\$ 8,288,262
Equity loss in government business enterprises	-	-	-	-	-	-	-	3,321,937	\$ 3,321,937
	11,629,031	6,147,355	16,736,304	34,970,876	-	7,504,587	388,505	124,521,850	201,898,508
Expenses:									
Salary and benefits	5,581,187	40,067,998	12,129,225	9,309,335	-	8,330,767	1,991,958	-	77,410,470
Materials	2,059,251	3,168,460	6,609,267	12,088,738	-	3,267,285	437,870	-	27,630,871
Contracted services	1,022,150	2,449,554	4,357,726	4,794,010	-	1,380,834	366,058	-	14,370,332
Rents and financial	85,906	171,936	200,718	318,479	-	104,211	10,480	-	891,730
External transfers	50,000	1,964,015	-	-	18,422,753	932,351	966,903	-	22,336,022
Loss/ (gain) on disposal	(54,950)	(634)	823,879	61,693	-	186,268	-	-	1,016,256
Interest	7,286	5,862	332,119	404,207	-	174,728	-	-	924,202
Amortization of tangible capital assets	857,984	1,534,319	15,822,937	8,539,618	-	3,028,623	14,719	-	29,798,200
	9,608,814	49,361,510	40,275,871	35,516,080	18,422,753	17,405,067	3,787,988	-	174,378,083
Annual surplus (deficit) before undernoted item	2,020,217	(43,214,155)	(23,539,567)	(545,204)	(18,422,753)	(9,900,480)	(3,399,483)	124,521,850	27,520,425
Cassellholme redevelopment commitment	-	-	-	-	(2,654,953)	-	-	-	(2,654,953)
Annual surplus (deficit)	\$ 2,020,217	\$ (43,214,155)	\$ (23,539,567)	\$ (545,204)	\$ (21,077,706)	\$ (9,900,480)	\$ (3,399,483)	\$ 124,521,850	\$ 24,865,472

	General Government	Protection	Transportation	Engineering & Environmental	Community Services	Recreation & Cultural	Planning & Development	Unallocated	2023 Total
Revenues:									
Property taxation	-	-	-	-	-	-	-	103,109,058	\$ 103,109,058
Taxation from other governments	-	-	-	-	-	-	-	4,276,292	\$ 4,276,292
User charges	382,022	320,575	5,490,086	27,996,665	-	1,983,090	89,950	-	\$ 36,262,388
Government transfers and grants	58,276	2,315,340	13,112,213	1,861,161	-	700,933	104,206	10,156,400	\$ 28,308,529
License, permits fees and rents	638,740	1,194,385	26,475	-	-	578,297	58,599	-	\$ 2,496,496
Investment income	5,372,270	-	73,058	-	-	-	-	-	\$ 5,445,328
Provincial Offences Act	-	1,022,314	-	-	-	-	-	-	\$ 1,022,314
Other	4,464,198	770,139	3,578,418	1,249,711	-	470,043	27,042	-	\$ 10,559,551
Equity loss in government business enterprises	-	-	-	-	-	-	-	2,944,478	\$ 2,944,478
	10,915,506	5,622,753	22,280,250	31,107,537	-	3,732,363	279,797	120,486,228	194,424,434
Expenses:									
Salary and benefits	5,424,908	38,782,562	11,541,919	9,081,554	-	7,691,727	2,030,755	-	74,553,425
Materials	1,331,773	2,780,368	7,459,805	7,247,322	-	3,291,151	467,245	-	22,577,664
Contracted services	1,012,833	2,275,534	3,563,764	4,740,814	-	1,247,465	383,409	-	13,223,819
Rents and financial	219,424	182,547	488,425	304,912	-	81,685	10,198	-	1,287,191
External transfers	25,000	1,620,347	650,000	-	18,001,847	848,309	1,057,459	-	22,202,962
Loss/ (gain) on disposal	(101,405)	(2,976)	109,969	74,741	-	11,420	-	-	91,749
Interest	8,586	8,184	411,591	503,383	-	199,802	-	-	1,131,546
Amortization of tangible capital assets	921,555	1,269,279	15,571,801	8,182,006	-	2,778,081	9,663	-	28,732,385
	8,842,674	46,915,845	39,797,274	30,134,732	18,001,847	16,149,640	3,958,729	-	163,800,741
Annual surplus (deficit) before undernoted item	2,072,832	(41,293,092)	(17,517,024)	972,805	(18,001,847)	(12,417,277)	(3,678,932)	120,486,228	30,623,693
Cassellholme redevelopment commitment	-	-	-	-	(2,502,085)	-	-	-	(2,502,085)
Annual surplus (deficit)	\$ 2,072,832	\$ (41,293,092)	\$ (17,517,024)	\$ 972,805	\$ (20,503,932)	\$ (12,417,277)	\$ (3,678,932)	\$ 120,486,228	\$ 28,121,608

THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2024

22. Credit facility agreement:

The City has a credit facility agreement with a Canadian Financial Institution bearing interest at the bank's prime rate less 0.85%. The maximum draw under the terms of the operating line is \$12 million. At year-end the City has not utilized any amount under this credit facility (2023 - \$nil).

23. Change in non-cash working capital:

	2024	2023
Decrease (increase) in taxes receivable	\$ (1,960,245)	\$ (1,802,795)
Decrease (increase) in accounts receivable	(7,820,672)	(2,245,643)
Decrease (increase) in other financial assets	382,291	542,088
Increase (decrease) in accounts payable and accrued liabilities	4,625,212	3,118,323
Increase (decrease) in deferred revenue	(369,657)	185,812
Increase (decrease) in obligatory reserve fund	2,426,642	1,006,225
Decrease (increase) in other non-financial assets	(293,916)	(922,082)
	<u>\$ (3,010,345)</u>	<u>\$ (118,072)</u>

City of North Bay Report to Council

Report No: CORP-2025-052

Date: May 20, 2025

Originator: Sara Gage

Business Unit:

Corporate Services

Department:

Financial Services Department

Subject: 2024 Consolidated Financial Statements

Closed Session: yes ☐ no ☒

Recommendation

That Report to Council CORP 2025-052 regarding the City of North Bay 2024 Consolidated Financial Statements be received and referred to the June 17th General Government Committee.

Background

The City's Consolidated Financial Statements are prepared by management on an annual basis in accordance with Canadian Public Sector Accounting Standards. The Consolidated Financial Statements reflect the assets, liabilities, sources of funding and expenses of the City of North Bay, which includes the activities of all committees of Council and its boards, municipal enterprises, and utilities for which the City owns or controls. These boards, entities, and utilities include:

Consolidated Entities:

- North Bay Public Library Board
- North Bay Police Services Board
- Board of Management for the Downtown Improvement Area
- North Bay Hydro Holdings Limited
- North Bay Jack Garland Airport Corporation
- Invest North Bay Development Corporation

Municipal Business Enterprises:

- North Bay Hydro Distribution Limited
- North Bay Hydro Services Inc.

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.

Accordingly, the City's auditor, KPMG LLP, is responsible for expressing an opinion on the Consolidated Financial Statements in accordance with Canadian Generally Accepted Auditing Standards.

Financial/Legal Implications

This report is being presented to Council in order to refer the City's 2024 Consolidated Financial Statements to the June 17th Council meeting, so that KPMG LLP can present its audit findings to Council.

Corporate Strategic Plan

- | | |
|--|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

- Ensure that Council and staff have a shared perception and goals

Options Analysis

Management has drafted the City's 2024 Consolidated Financial Statements and the audit is currently being performed by KPMG LLP. Report to Council CORP 2025-052 is being referred to the General Government Committee to provide the City's Auditors with an opportunity to present their Audit Findings Report to Council in advance of Council's approval of the 2024 Consolidated Financial Statements.

A supplemental Report to Council will be provided for the June 17th Committee Meeting, which will include the draft Consolidated Financial Statements.

Recommended Option

That Report to Council CORP 2025-052 regarding the City of North Bay 2024 Consolidated Financial Statements be received and referred to the June 17th General Government Committee.

Respectfully submitted,

Name: Sara Gage, CPA

Title: Manager, Financial Services

I concur with this report and recommendation

Name: Margaret Karpenko, CPA, CMA
Title: Chief Financial Officer /Treasurer

Name: John Severino, P.Eng., MBA
Title: Chief Administrative Officer

Personnel designated for continuance:

Name: Sara Gage, CPA
Title: Manager, Financial Services

CS 2025-04

Draft Recommendation:

1. "That the proposed Zoning By-law Amendment by Tulloch Engineering on behalf of FGA Trades Inc. – 2890 Highway 11N in the City of North Bay to rezone the property from an "Industrial Commercial" zone to an "Industrial Commercial Special (MC Sp.)" zone for the property legally described in Appendix to Report to Council No. CSBU 2025-038 from Peter Carello dated June 25, 2025 be approved; and
2. That the subject property be placed under Site Plan Control pursuant to Section 41 of the Planning Act, R.S.O., 1990 as amended."

City of North Bay Report to Council

Report No: CSBU-2025-038

Date: June 25, 2025

Originator: Peter Carello, Senior Planner – Current Operations

Business Unit:

Department:

Community Services

Planning & Building Department

Subject: Proposed Zoning By-law Amendment by Tulloch Engineering on behalf of FGA Trades Inc. – 2890 Highway 11N

Closed Session: yes ☐ no ☒

Recommendation

1. That the proposed Zoning By-law Amendment by Tulloch Engineering on behalf of FGA Trades Inc. – 2890 Highway 11N in the City of North Bay to rezone the property from an “Industrial Commercial” zone to an “Industrial Commercial Special (MC Sp.)” zone for the property legally described in Appendix A to Report to Council No. CSBU 2025-038 be approved; and
2. That the subject property be placed under Site Plan Control pursuant to Section 41 of the Planning Act, R.S.O., 1990 as amended.

Background

Site Information

Legal Description: See Appendix A

Site Description: The subject property is an existing lot of record on Highway 11N. This property is located on the block bounded by Highway 11N, Collins Drive and Cedar Heights Road, as shown below and on attached Schedule A.

The property is located within the Settlement Area of the Official Plan and is designated “General Industry”. It is zoned “Industrial Commercial (MC)” under the City’s Zoning By-law No. 2015-30.

Figure 1: Map of Subject Property and Surrounding Area



The property has an existing lot area of 0.653 hectares and lot frontage of 40.75 metres on Highway 11N, as shown on attached Schedule B. This parcel contains two warehouse-style buildings – a main building and an accessory structure. The lands are privately serviced via a well and septic system.

Surrounding Land Uses:

The area is largely defined by the presence of Highway 11N. This major four-laned roadway is controlled and maintained by the Province in this area.

The property is in a mixed-use neighbourhood. Lands east of Highway 11N are designated and zoned for industrial purposes. There are several of industrial uses in this area, including several contractor's yards, a self storage facility and a recreational vehicle facility. There are also a number of legal non-conforming residential uses on industrially zoned lands in the area, both along Highway 11, Collins Drive and Cedar Heights Road.

Lands to the west of the property, across Highway 11, are designated for residential use in the Official Plan some of which are occupied with low density residential.

There are also commercial uses found in the area along Highway 11N. This includes gas stations, a convenience store and a restaurant.

As the lands are within the Settlement Area, it is anticipated that over the long term the properties would be developed on full municipal services. However, at the time of this report, services are not available to the property. There is no timeline at this time for municipal sewer and water to be available, meaning that new development will take place on private services.

Proposal

Tulloch Geomatics on behalf of the property owner, FGA Trades Inc., has submitted a Zoning By-law Amendment application to rezone the property located at 2890 Highway 11N. If approved, the property's Zoning would be amended to an "Industrial Commercial Special (MC Sp.)" zone. The Special Zone request would allow a "Contractor's Yard" and to permit an "apartment unit within the main building for use by an essential worker, owner/operator or caretaker".

The purpose of the application is to allow the use of the property as a "Contractor's Yard" with a residential unit in the main building.

Summary

The proposed Zoning By-law Amendment application would add "Contractor's Yard" and an "Apartment Unit Within the Main Building for Use by an Essential Worker, Owner/Operator or Caretaker" to the list of permitted uses.

The proposed modifications are intended to facilitate the establishment of a new business on the subject property. This, in turn, is likely to encourage private sector investment, support job creation, and result in the addition of a new residential dwelling unit intended for an individual or family affiliated with the business. Collectively, these outcomes represent positive contributions to the broader community. Furthermore, both proposed land uses are considered appropriate and compatible with the established character of the surrounding area.

Planning staff have evaluated the proposed Zoning By-law Amendment within the framework of applicable policy documents. Both the Provincial Policy Statement and the Official Plan contain provisions that promote economic development and support the creation of new residential units. Relevant policy references are provided in the respective sections of this report. As outlined in greater detail below, the proposed amendment is consistent with the intent and direction of these guiding policies.

It is my professional opinion that the proposed Zoning By-law Amendment is in conformity with the Official Plan and the Growth Plan for Northern Ontario (GPNO 2011) and the end use is consistent with the Provincial Planning Statement (PPS 2024).

Provincial Policy

Growth Plan for Northern Ontario (GPNO 2011)

The Growth Plan for Northern Ontario (GPNO 2011) was introduced on March 3rd, 2011. All Planning Applications must consider this Plan as part of the evaluation process. Section 3(5)(b) of the Planning Act requires that

decisions made under the Planning Act need to conform to the Provincial Plan or shall not conflict with it, as the case may be.

The GPNO 2011 is broad in scope and is aimed at shaping development in Northern Ontario over the next 25 years. It outlines strategies that deal with economic development, education, community planning, transportation/infrastructure, environment, and Aboriginal peoples. This Plan is primarily an economic development tool that encourages growth in Northern Ontario. Specific Planning related policies, including regional economic planning, the identification of strategic core areas, and targets for intensification have not yet been defined by the Province or incorporated into the Official Plan.

Section 4 of the GPNO (Communities) deals with land use planning matters. This Section speaks to creating a vision for a community's future. The City of North Bay achieves this through the implementation of the Official Plan. As discussed in greater detail later in the report, it is my opinion the proposed development conforms with the City's Official Plan.

In my professional opinion, the proposed Zoning By-law Amendment conforms with the policies and direction provided by the Growth Plan for Northern Ontario (GPNO 2011).

Provincial Planning Statement (PPS 2024)

The current Provincial Planning Statement issued by the Provincial government came into effect on October 20, 2024. This proposal has been reviewed in the context of the Provincial Planning Statement (PPS 2024).

Excerpts of the Provincial Planning Statement (PPS 2024) applicable to this application are outlined below.

The new Provincial Planning Statement contains policies supporting economic development and job creation within a community. Section 2.8.1 (Employment – Supporting a Modern Economy) states:

1. *Planning authorities shall promote economic development and competitiveness by:*
 - a. *providing for an appropriate mix and range of employment, institutional, and broader mixed uses to meet long-term needs;*
 - b. *providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;*
 - c. *identifying strategic sites for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to address potential barriers to investment;*
 - d. *encouraging intensification of employment uses and compatible,*

- compact, mixed-use development to support the achievement of complete communities; and*
- e. *addressing land use compatibility adjacent to employment areas by providing an appropriate transition to sensitive land uses.*

The proposed rezoning is supported by these policies of the Provincial Planning Statement. It would facilitate the development of an industrial use in an area that is designated for such purposes.

The new PPS 2024 has a focus on the development of new housing units. This general objective is identified in several locations throughout the PPS 2024. Section 2.2.1 (Housing) states:

1. *Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected needs of current and future residents of the regional market area by:*
- ...

b) permitting and facilitating:

1. *all housing options required to meet the social, health, economic and wellbeing requirements of current and future residents, including additional needs housing and needs arising from demographic changes and employment opportunities;*

Should the proposed rezoning be approved, it would grant permission to the property owner to repurpose an existing building in a manner that would create one new residential unit, consistent with the above noted policies of the PPS 2024. Considering the built form of this building, the zoning of adjacent properties and the composition of the surrounding neighbourhood, the placement of one accessory residential unit is appropriate.

It is my professional opinion that the end use of the proposed Zoning By-law Amendment is consistent with the Provincial Planning Statement (PPS 2024).

Official Plan

The property is currently designated "General Industry" in the City of North Bay's Official Plan.

Section 2.2.2 of the Official Plan is titled "Employment Lands – Industrial". This section contains the policies that direct the development of lands that are designated "General Industry" on Schedule 1 of the Official Plan. Section 2.2.2.1 of the Official Plan states:

...

2.2.2.1.4 Within the Settlement Area, sensitive land uses should be protected from employment lands through a gradient of industrial zones and permitted uses established through the Comprehensive Zoning By-law.

2.2.2.1.5 In general, the major uses of land in the General Industry areas shall be all forms of manufacturing, processing of goods, data and materials, warehousing, storage, builders' yards, transportation and communication related facilities and public utilities.

2.2.2.1.6 Residential uses shall not be permitted in any industrial area except for a dwelling unit for an essential workman or caretaker and his/her family.

The proposed Zoning By-law Amendment is compatible with the above noted policies of the Official Plan. Section 2.2.2.1.5 specifically identifies a builder's yard as a permitted use and Section 2.2.2.1.6 permits one residential unit for an essential worker or caretaker. Permitting these uses is the specific purpose of the subject application.

It is my professional opinion that the Zoning By-law Amendment is appropriate and conforms to the City of North Bay's Official Plan.

Zoning By-Law No. 2015-30

The subject property is presently zoned "Industrial Commercial (MC)". The existing MC zone permits the following uses:

- Automobile Sales, Service, and Leasing Establishments;
- Automobile Service Station;
- Body Shop;
- Brewery, Micro;
- Builder's Supply Yard;
- Convenience Store;
- Courier Distribution Depot;
- Day Nursery;
- Distillery, Micro;
- Exhibition Building;
- Farmer's Market;
- Financial Institution;
- Flea Market;
- Garden Centre;
- Gas Bar;
- Group Home Type 3;
- Industrial Equipment Sales, Service and Leasing Establishments;
- Home Improvement Centre;
- Hotel;
- Laboratory;
- Pet Daycare Facility;
- Production Studio;
- Recreational Facility;
- Recreational Vehicle Sales, Service, and Leasing Establishments;
- Restaurant; and
- Wholesale Uses.

The applicant has proposed to rezone the property to an "Industrial Commercial Special (MC Sp.)" zone.

If approved, the proposed Zoning By-law Amendment application would add "Contractor's Yard" and an "Apartment Unit Within the Main Building for Use by an Essential Worker, Owner/Operator or Caretaker" to the list of permitted uses.

The subject property is able to meet all other regulations of the Zoning By-law.

Correspondence

This proposal was circulated to property owners within 120 metres (400 feet) of the subject lands, as well as to several municipal departments and agencies that may have an interest in the application. In terms of correspondence received from these departments and agencies, the Planning Department received the following comments:

Of the agencies that provided comments, the Building Department, the Engineering Department and the Public Works Department each offered no concerns or objections.

The Ministry of Transportation offered no objections to the proposed rezoning but did note that the property is within their permit control area. The future development of the property would necessitate the owner to obtain a permit from their office.

The North Bay Mattawa Conservation Authority noted the property is partially regulated by their office. Should the property be developed in the future, a Section 28 permit may be required.

There was no public correspondence received in response to the proposed Zoning By-law Amendment.

A complete copy of this correspondence is attached to this Report as Appendix B.

No other correspondence was received on this file.

Financial/Legal Implications

There are no Financial or Legal implications to the City as a result of the proposed Zoning By-law Amendment.

Corporate Strategic Plan

- | | |
|--|---|
| <input type="checkbox"/> Natural North and Near | <input checked="" type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

- Promote and support public and private sector investment
- Facilitate the development of housing options to service the entire community, with consideration to socio-economic characteristics of the community

Options Analysis

Option 1:

1. That the proposed Zoning By-law Amendment by Tulloch Engineering on behalf of FGA Trades Inc. – 2890 Highway 11N in the City of North Bay to rezone the property from an “Industrial Commercial” zone to an “Industrial Commercial Special (MC Sp.)” zone for the property legally described in Appendix A to Report to Council No. CSBU 2025-038 be approved; and
2. That the subject property be placed under Site Plan Control pursuant to Section 41 of the Planning Act, R.S.O., 1990 as amended.

Option 2:

To deny the requested Zoning By-law Amendment application. This option is not recommended for the reasons outlined in this report.

Recommended Option

Option 1 is the recommended option

1. That the proposed Zoning By-law Amendment by Tulloch Engineering on behalf of FGA Trades Inc. – 2890 Highway 11N in the City of North Bay to rezone the property from an “Industrial Commercial” zone to an “Industrial Commercial Special (MC Sp.)” zone for the property legally described in Appendix A to Report to Council No. CSBU 2025-038 be approved; and
2. That the subject property be placed under Site Plan Control pursuant to Section 41 of the Planning Act, R.S.O., 1990 as amended.

Respectfully submitted,

Name: Peter Carello, MCIP, RPP
Title: Senior Planner, Current Operations

We concur with this report and recommendation.

Name Beverley Hillier, MCIP, RPP
Title: Manager, Planning & Building Services

Name: Ian Kilgour, MCIP. RPP
Title: Director, Community Services

Name: John Severino, P.Eng., MBA
Title: Chief Administrative Officer

Personnel designated for continuance:

Name: Peter Carello, MCIP, RPP
Title: Senior Planner – Current Operations

W:\PLAN\Planning\Reports to Committees & Council (C11)\to Council\2025 – Zoning By-law Amendment –
2890 Highway 11N

Appendix A

PIN 49127-0587 (LT)

PCL 3866 SEC WF; PT LT 21 CON A WIDDIFIELD AS IN LT61447 EXCEPT PT 1, NR1592 & PT 12, 36R8756; S/T LT344517; NORTH BAY ; DISTRICT OF NIPISSING

Appendix B – Correspondence

Engineering Dept

Member: Jonathan Kapitanchuk

Status: Approved

No concerns.

Building Services

Member: Carly Price

Status: Approved

Building Services does not have any concerns with the request. Further comments may be provided once a proposal for construction has been provided for Code compliance review.

Public Works

Member: Scott Franks

Status: Approved

No concerns from a Roads and Traffic perspective.

Ministry of Transportation

Member: Gabriel Nimoh

Status: Approved

The Ministry of Transportation (MTO) has reviewed the attached zoning by-law amendment application on lands located at 2890 Hwy 11 N, North Bay.

It is our understanding that, the subject property is currently zoned 'Industrial-Commercial (MC)' under the City of North Bay's Zoning By-law. The MC zone does not specifically list 'Contractor's Yard' as a permitted use. The proposed Zoning By-law Amendment is to create an MC Special Zone to add Contractor's Yard as an additional permitted use and to recognize any other special, existing conditions that do not meet the requirements of the MC zone. No new development is contemplated at this time.

The subject lands are located with MTO's permit control area and is subject for review under the Public Transportation and Highway Improvement Act R.S.O 1990.

The Ministry has no concerns or objections to the proposed rezoning and, with the following comments to consider:

- Placement of any buildings/structures or any site grading/paving within 45 meters of the Hwy 11 property line will require an MTO building/land use permit.
- Any future development or change in land use must be subject to MTO review.

All permit applications can be made online at the following link: <https://www.hcms.mto.gov.on.ca/>
Any questions regarding permitting or setbacks can be directed to Diane Villneff, Corridor Management Officer at Diane.Villneff@ontario.ca

I have also uploaded these comments in citywide. If there are any other questions or concerns, don't hesitate to contact me.

Comments on this planning application expire in one (1) year.

Regards,
Gabriel

NBMCA

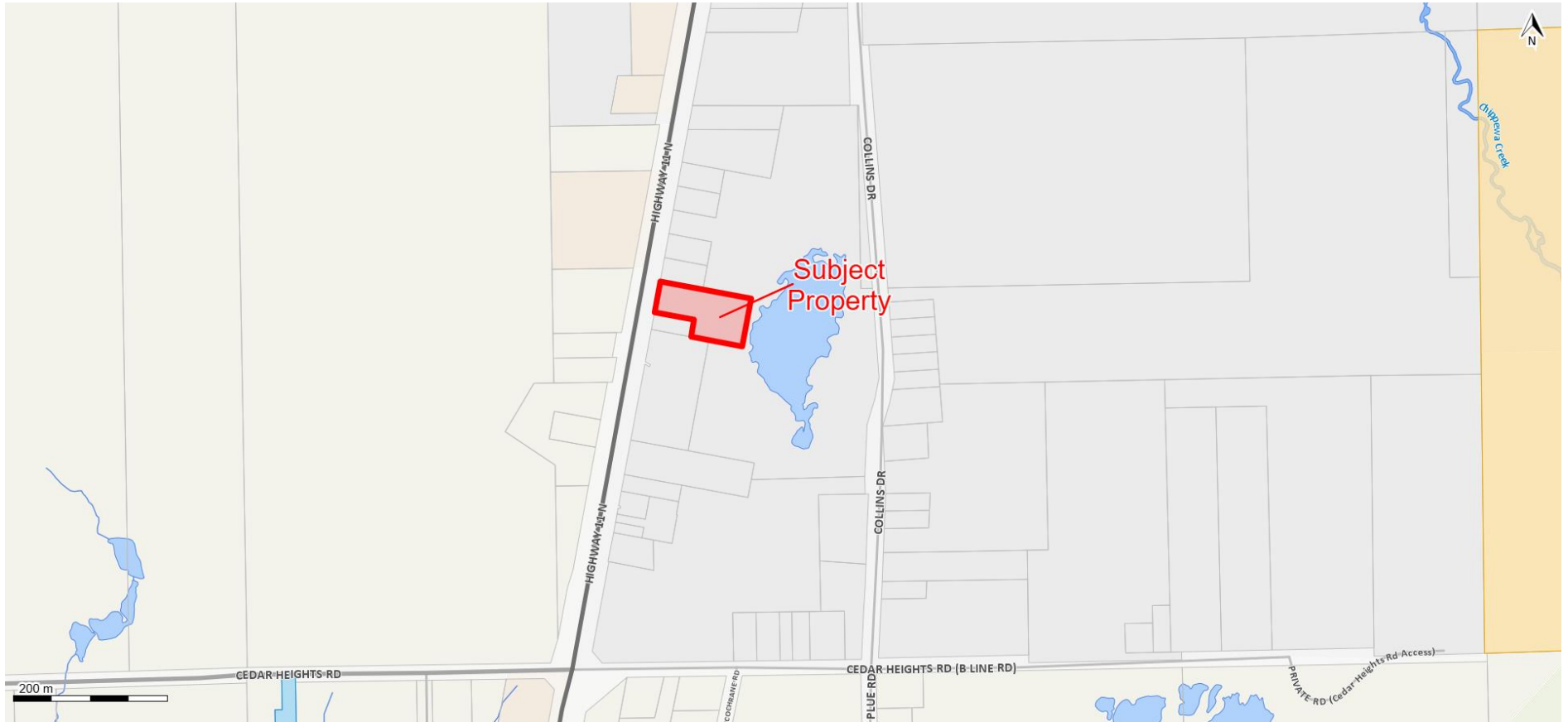
Member: Hannah Wolfram

Status: Approved

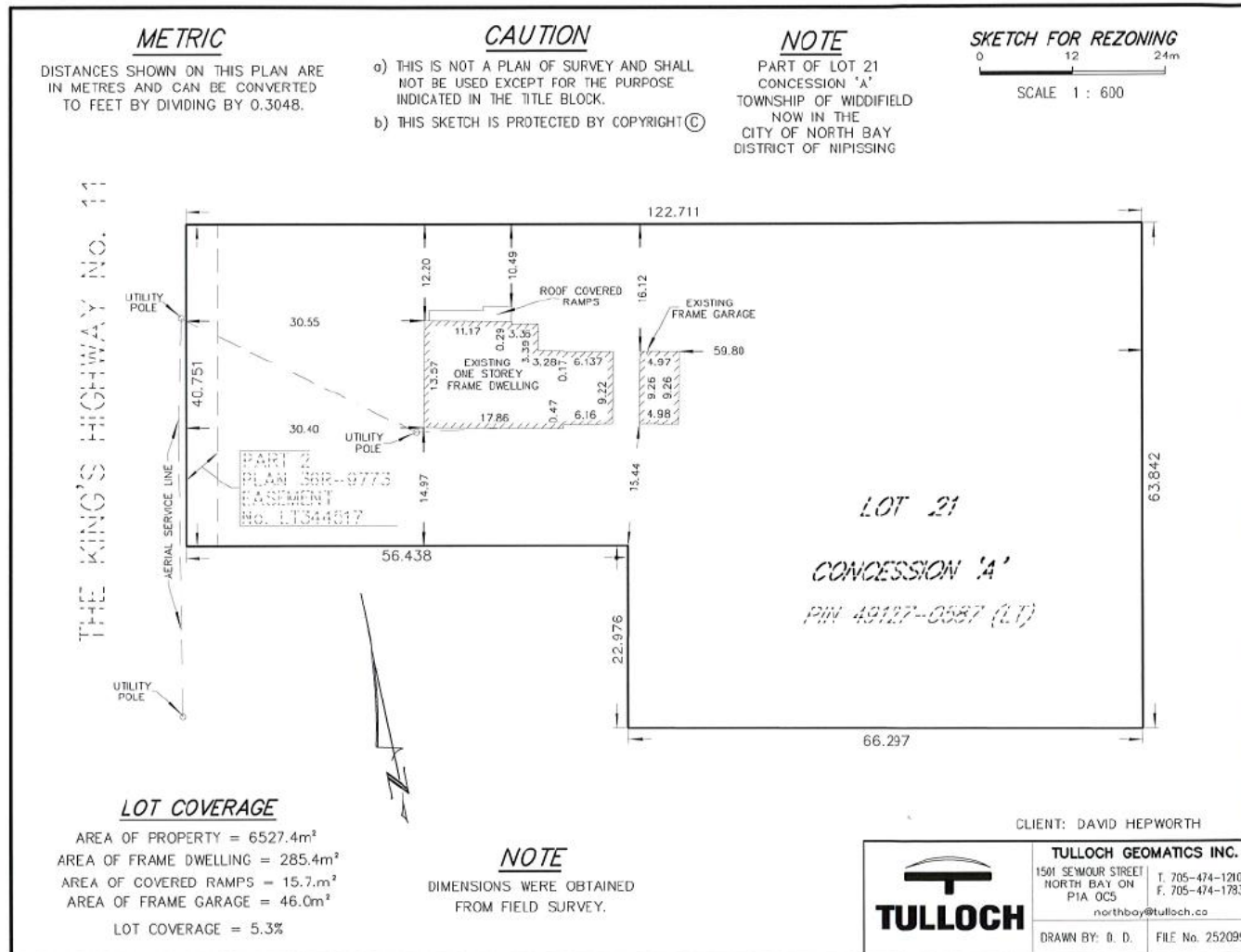
The subject lands are partially regulated by NBMCA due to the presence of a wetland feature near to the east and south sides of the property. Where development is proposed in the wetland itself or within 30m of the wetland boundary, a Section 28 permit from NBMCA may be required.

The subject lands are partially located within an area of Highly Vulnerable Aquifers (HVA), one of four types of vulnerable areas identified in the Clean Water Act. Municipalities, implementing bodies, and landowners should have regard for these policies. A copy of the Source Protection Plan can be found here: <https://bit.ly/41mWDYG>.

Schedule A



Schedule B



MATTERS REMAINING ON VARIOUS COMMITTEES

General Government Committee:

GG-2019-06	Motion - Smoking By-Law 2019-45
GG-2023-08	Motion - Castle Arms
GG-2025-04	Procedural By-Law Amendments
GG-2025-06	2024 Municipal Accessibility Advisory Committee (MAAC) Annual Report
GG-2025-07	2024 Report on Investment Activity

Community Services:

CSBU-2017-13	North Bay Official Plan Review
CS-2025-04	Proposed Zoning By-Law Amendment application by Tulloch Geomatics Inc. on behalf of FGA Trades Inc. – 2890 Highway 11 North
CS-2025-05	2024 Centennial Celebration and Budget Update
CS-2025-06	Draft Plan of Condominium application by Tulloch Geomatics Inc. on behalf of Plastruct Canada Inc. – 189 Legault Street and 143 Birchs Road
CS-2025-07	Proposed Zoning By-Law Amendment application by Tulloch Engineering on behalf of Flumerfelt – Kenreta Drive

Infrastructure and Operations:

EW-2010-03	Kate Pace Way west end bike route connection between Memorial Drive and Gormanville Road
EW-2018-01	Algonquin Avenue Traffic Study

IO-2024-02	Motion - Investigating future of West Ferris "Sam Jacks" Arena
IO-2025-02	Premier Road Sanitary Pumping Station Replacement Site Selection
IO-2025-03	Holding Tank Rebate Program
IO-2025-04	Community and Recreation Centre Update – May 2025