

2022 Audited Financial Statements



The Corporation of the City of Kenora
Kenora, Ontario
Canada

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MANAGEMENT'S RESPONSIBILITY


To the Members of Council, Citizens and Ratepayers of The Corporation of the City of Kenora:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

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

The Council is composed entirely of individuals who are neither management nor employees of the Municipality. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial statements prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the Municipality's external auditors.

MNP LLP is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.



Ryan Marsh, Director of Finance/Treasurer

To the To the Members of Council, Citizens and Ratepayers of The Corporation of the City of Kenora:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Kenora (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2022, and the results of its consolidated operations, changes in its 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 Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality'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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Kenora, Ontario

January 16, 2024

MNP LLP


Chartered Professional Accountants

Licensed Public Accountants

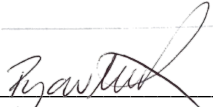
THE CORPORATION OF THE CITY OF KENORA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2022

| | 2022 | 2021 |
|--|-----------------------|-----------------------|
| Financial Assets | | |
| Cash (Note 1) | \$ 24,626,998 | \$ 21,606,146 |
| Temporary investments (Note 2) | 17,183,709 | 17,264,925 |
| Property taxes receivable (Note 3) | 1,710,251 | 1,309,138 |
| Trade and other receivables | 8,838,688 | 4,612,000 |
| Inventory held for resale | 68,222 | 76,533 |
| Citizens' Prosperity Trust Fund investments (Note 4) | 40,873,741 | 43,668,332 |
| Long term investment (Note 5) | 9,500,000 | 10,000,000 |
| | 102,801,609 | 98,537,074 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 8,032,458 | 4,656,741 |
| Property tax prepayments (Note 3) | 1,663,674 | 1,654,434 |
| Deferred revenue (Note 6) | 7,885,620 | 5,273,613 |
| Long-term debt (Note 7) | 9,625,373 | 10,625,124 |
| Employee future benefits payable (Note 17) | 2,636,362 | 3,320,518 |
| | 29,843,487 | 25,530,430 |
| NET FINANCIAL ASSETS | 72,958,122 | 73,006,644 |
| CONTINGENT LIABILITIES (Note 18) | | |
| Non Financial Assets | | |
| Tangible capital assets (Note 9) | 188,965,939 | 183,264,757 |
| Inventories of consumables and prepaids | 1,360,032 | 1,262,860 |
| | 190,325,971 | 184,527,617 |
| ACCUMULATED SURPLUS (Note 8) | \$ 263,284,093 | \$ 257,534,261 |

See Accompanying Notes



Mayor



Director of Finance/Treasurer

THE CORPORATION OF THE CITY OF KENORA
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the year ended 31 December 2022

| | 2022 Budget (Note 13) | 2022 Actual | 2021 Actual |
|---|-----------------------------|-----------------------|-----------------------|
| Revenues | | | |
| Taxation | \$ 28,545,376 | \$ 28,557,170 | \$ 27,736,092 |
| Fees and user charges | 18,081,180 | 17,689,075 | 16,141,706 |
| Canada grants | 3,432,108 | 2,742,345 | 1,928,941 |
| Ontario grants | 6,428,388 | 7,995,732 | 5,473,477 |
| Other (Note 10) | 2,933,733 | 2,521,278 | 4,579,503 |
| | <u>59,420,785</u> | <u>59,505,600</u> | <u>55,859,719</u> |
| Expenses | | | |
| General government | 3,499,766 | 3,946,137 | 3,443,166 |
| Protection services | 10,964,163 | 10,914,482 | 10,328,345 |
| Transportation services | 11,160,916 | 10,852,747 | 9,370,378 |
| Environmental services | 12,054,047 | 11,430,759 | 10,851,067 |
| Health services | 2,944,671 | 2,824,866 | 2,601,648 |
| Social and family services | 3,647,422 | 3,652,422 | 3,710,453 |
| Recreation and cultural services | 7,482,313 | 7,671,570 | 7,520,459 |
| Planning and development | 3,522,080 | 2,462,785 | 2,529,483 |
| | <u>55,275,378</u> | <u>53,755,768</u> | <u>50,354,999</u> |
| Annual surplus | <u>4,145,407</u> | 5,749,832 | 5,504,720 |
| Accumulated surplus, beginning of year | | <u>257,534,261</u> | <u>252,029,541</u> |
| Accumulated surplus, end of year | | <u>\$ 263,284,093</u> | <u>\$ 257,534,261</u> |

See Accompanying Notes

THE CORPORATION OF THE CITY OF KENORA
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the year ended 31 December 2022

| | 2022 Budget (Note 13) | 2022 Actual | 2021 Actual |
|--|-----------------------------|----------------|----------------|
| Annual surplus | \$ 4,145,407 | \$ 5,749,832 | \$ 5,504,720 |
| Acquisition of tangible capital assets | (19,439,105) | (14,537,511) | (11,005,857) |
| Amortization of tangible capital assets | 8,321,685 | 8,321,685 | 8,220,054 |
| (Gain) Loss on sale of tangible capital assets | - | (1,952,195) | (1,332,962) |
| Proceeds on sale of tangible capital assets | 2,264,000 | 2,466,839 | 2,045,651 |
| | (4,708,013) | 48,650 | 3,431,606 |
| Acquisition of prepaid expenses and inventories of consumables | (2,731,418) | (2,731,418) | (2,262,397) |
| Net use/consumption of inventories of consumables and prepaids | 2,634,246 | 2,634,246 | 2,217,425 |
| | (97,172) | (97,172) | (44,972) |
| Net change in net financial assets (debt) | (4,805,185) | (48,522) | 3,386,634 |
| Net financial assets, beginning of year | 73,006,644 | 73,006,644 | 69,620,010 |
| Net financial assets, end of year | \$ 68,201,459 | \$ 72,958,122 | \$ 73,006,644 |

See Accompanying Notes

**THE CORPORATION OF THE CITY OF KENORA
CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2022

| | 2022 | 2021 |
|--|----------------------|----------------------|
| Operating transactions | | |
| Annual surplus | \$ 5,749,832 | \$ 5,504,720 |
| Items not involving cash | | |
| Amortization | 8,321,685 | 8,220,054 |
| (Gain) Loss on disposal of tangible capital assets | (1,952,195) | (1,332,962) |
| | <u>12,119,322</u> | <u>12,391,812</u> |
| Change in non-cash working capital balances | | |
| (Increase) Decrease in property taxes receivable | (401,113) | 276,583 |
| (Increase) Decrease in trade and other receivables | (4,226,688) | 233,526 |
| (Increase) in other assets | (88,860) | (46,726) |
| Increase in accounts payable and accrued liabilities | 3,375,717 | 401,687 |
| Increase in property tax prepayments | 9,240 | 17,053 |
| Increase in deferred revenue | 2,612,007 | 974,045 |
| (Decrease) in employee future benefits payable | (684,157) | (157,220) |
| | <u>12,715,468</u> | <u>14,090,760</u> |
| Capital transactions | | |
| Acquisition of tangible capital assets | (14,537,511) | (11,005,857) |
| Proceeds on sale of tangible capital assets | 2,466,839 | 2,045,651 |
| | <u>(12,070,672)</u> | <u>(8,960,206)</u> |
| Investing transactions | | |
| Decrease in long term Investment | 500,000 | - |
| Decrease (Increase) in Citizens' Prosperity Trust Fund | 2,794,591 | (11,794,260) |
| | <u>3,294,591</u> | <u>(11,794,260)</u> |
| Financing transactions | | |
| Long term debt proceeds | - | 11,749,037 |
| Principal repayments on long term debt | (999,751) | (1,123,913) |
| | <u>(999,751)</u> | <u>10,625,124</u> |
| Net change in cash and equivalents | 2,939,636 | 3,961,418 |
| Cash and equivalents, beginning of year | 38,871,071 | 34,909,653 |
| Cash and equivalents, end of year | \$ 41,810,707 | \$ 38,871,071 |
| Represented by | | |
| Cash | \$ 24,626,998 | \$ 21,606,146 |
| Temporary investments | 17,183,709 | 17,264,925 |
| | <u>\$ 41,810,707</u> | <u>\$ 38,871,071</u> |

See Accompanying Notes

**THE CORPORATION OF THE CITY OF KENORA
SIGNIFICANT ACCOUNTING POLICIES**

For the year ended 31 December 2022

The consolidated financial statements of the Municipality are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of Chartered Professional Accountants Canada. The Municipality provides municipal services such as fire, public works, planning, parks, recreation and other government services. Significant aspects of the accounting policies adopted by the Municipality are as follows:

COVID-19 Impact to Operations

During 2022, the COVID-19 pandemic continued to have an impact on the Municipality's operations mainly due to restrictions placed on various recreation and cultural services. At this time, it is unknown what further impact the COVID-19 pandemic may have on the Municipality as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence.

a) Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available; 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.

b) Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the current fund, capital fund, reserves and reserve funds of all municipal organizations, committees and boards and internally restricted entities which are owned or controlled by the Municipality. All interfund assets, liabilities, revenues and expenses have been eliminated on consolidation.

The following boards and municipal enterprises owned or controlled by the Municipality have been consolidated:

Kenora Public Library
Lake of the Woods Cemetery
Lake of the Woods Museum

The Provincial Offences Fund is a government partnership where the Municipality has shared control over the board / entity. The Municipality's pro rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The Municipality's proportionate interest of 69.57% (2021 - 69.75%) of the Provincial Offences Fund is reflected in the consolidated financial statements.

c) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the 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.

**THE CORPORATION OF THE CITY OF KENORA
SIGNIFICANT ACCOUNTING POLICIES**

For the year ended 31 December 2022

d) Government Transfers

Government transfers are recognized in the year in which events give rise to the transfer, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

e) Revenue Recognition

Revenues are recognized as follows:

- i Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known.
- ii Fees and user charges are recognized on a monthly basis as services are provided.
- iii Other revenues are recorded when collected or when collection is reasonably assured.
- iv Grants for the acquisition of tangible capital assets are recognized in the period in which the eligible expenditures are made.

f) Investments

Temporary investments are recorded at the lower of cost or market. Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

g) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis.

h) Collection of Taxes on Behalf of Other Taxation Authorities

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

i) Trust Funds

Trust funds administered by the City for the benefit of external parties are not included in these financial statements. The financial activity and position of the trust funds are reported separately.

j) Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

**THE CORPORATION OF THE CITY OF KENORA
SIGNIFICANT ACCOUNTING POLICIES**

For the year ended 31 December 2022

k) Pension and Other Post-Employment Benefits

The City accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Standards issued by Chartered Professional Accountants Canada with respect to accounting for employee future benefits require the City to accrue for its obligations under other employee benefit plans and related costs, net of plan assets.

The cost of other post-employment benefits offered to employees are actuarially determined using the projected benefit method, prorated on service and based on management's best estimate assumptions. Under this method, the projected post-retirement benefit is deemed to be earned on pro-rata basis over the years of service in the attribution period commencing at date of hire, and ending at the earliest age the employee could retire and qualify for benefits.

l) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital assets commencing once the asset is available for productive use as follows:

| | |
|-------------------|-----------------|
| Site improvements | 25 years |
| Buildings | 10 to 125 years |
| Equipment | 3 to 25 years |
| Fleet | 7 to 25 years |
| Docks and wharfs | 10 to 50 years |
| Roads and bridges | 10 to 50 years |
| Water | 15 to 75 years |
| Sewer | 15 to 100 years |
| Other | 5 to 75 years |

m) Non Financial Assets

The City's capital assets and other non financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the City unless they are sold.

n) Net Financial Assets

The City's financial statements are presented to highlight net financial assets as the measurement of financial position. The net financial assets of the City is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. CASH

| | 2022 | | 2021 | |
|--------------|------|------------|------|------------|
| Unrestricted | \$ | 12,893,282 | \$ | 14,549,622 |
| Restricted | | 11,733,716 | | 7,056,524 |
| | \$ | 24,626,998 | \$ | 21,606,146 |

The City has a revolving demand facility to a maximum of \$5,000,000 by way of prime rate based loans bearing interest at prime less 0.75% and letters of credit bearing interest at 0.5% per annum. As at 31 December 2022, \$ - (2021 - \$ -) was drawn under this facility. This facility is unsecured. Availability is subject to financial criteria and is at the discretion of the bank.

2. TEMPORARY INVESTMENTS

| | Market Value | | 2022 | | 2021 | |
|--------------|--------------|------------|------|------------|------|------------|
| Unrestricted | \$ | 15,876,549 | \$ | 15,220,888 | \$ | 15,247,719 |
| Restricted | | 2,038,761 | | 1,962,821 | | 2,017,206 |
| | \$ | 17,915,310 | \$ | 17,183,709 | \$ | 17,264,925 |

99% (2021-99%) of the temporary investments are held in the One Fund - Public Sector Group of Funds. The investments have rates of return between -10.8% and 2.0%.

3. PROPERTY TAXES RECEIVABLE/PROPERTY TAX PREPAYMENTS

| | 2022 | | 2021 | |
|---------------------------|------|-------------|------|-------------|
| Property taxes receivable | \$ | 1,710,251 | \$ | 1,309,138 |
| Property tax prepayments | | (1,663,674) | | (1,654,434) |
| | \$ | 46,577 | \$ | (345,296) |

4. CITIZENS' PROSPERITY TRUST FUND INVESTMENTS

| | Market Value | | 2022 | | 2021 | |
|-----------------------|--------------|------------|------|------------|------|------------|
| Cash | \$ | 3,239,382 | \$ | 3,239,382 | \$ | 4,099,232 |
| Temporary Investments | | 37,940,101 | | 37,634,359 | | 39,569,100 |
| | \$ | 41,179,483 | \$ | 40,873,741 | \$ | 43,668,332 |

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

4. CITIZENS' PROSPERITY TRUST FUND INVESTMENTS - Continued

The proceeds from the sale of the Kenora Municipal Telephone System, KMTS Mobility and KMTS Net were transferred to the Citizens' Prosperity Trust Fund in 2008. The purpose of the Fund is to safeguard the principal while using the related investment income to eliminate the negative impacts resulting from the loss of the annual dividends from the telephone operations.

82% (2021-79%) of the investments are held in the One Fund - Public Sector Group of Funds. The investments are held in bond and equity funds with interest rates from -10.8 % to 2.0%. A portion are held in trust with CIBC Mellon and include both government and bank bonds with interest rates ranging from 0.95% to 3.50%. These investments mature between 2023 and 2025. The remaining investments are managed by Manulife Asset Management and held with RBC Dexia. The investments are held in various government and bank bonds and debentures. Interest rates range from 1.0% to 5.417%. These investments mature between 2023 and 2027.

5. LONG TERM INVESTMENT

| | 2022 | 2021 |
|--|---------------------|----------------------|
| Promissory note from Synergy North Corporation, receivable in annual principal instalments of \$500,000 with monthly interest instalments at the TD Canada Trust prime rate (6.45% - 31 December 2022; 2.45% - 31 December 2021). Both principal and interest payments are subject to a Subordination and Postponement Agreement between the City and Synergy North wherein neither payment may be receivable based on certain criteria. | \$ 2,569,279 | \$ 3,069,279 |
| 9,100 voting, participating common shares of Synergy North Corporation, representing 8.31% of common shares issued | 6,930,721 | 6,930,721 |
| | \$ 9,500,000 | \$ 10,000,000 |

On 1 January 2019, Synergy North Corporation was formed under the Business Corporations Act (Ontario) by the amalgamation of Thunder Bay Hydro Electricity Distribution Inc. and Kenora Hydro Electric Corporation Ltd. At that date 109,506 common shares were issued. This investment is accounted for as a portfolio investment and is recorded at cost.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

6. DEFERRED REVENUE

| | 2022 | | | | | |
|--------------------------------|------------------------|-------------------------------|--|---------------------------|-----------------------|--|
| | Opening balance | Contributions received | Externally restricted investment income | Revenue recognized | Ending balance | |
| Canada Community-Building Fund | \$ 2,397,684 | \$ 957,544 | \$ 13,673 | \$ 862,392 | \$ 2,506,509 | |
| Dedicated gas tax | 637,439 | 142,998 | 13,488 | - | 793,925 | |
| Miscellaneous transit funding | 161,951 | - | - | - | 161,951 | |
| Roads deposits | 27,088 | - | 612 | - | 27,700 | |
| Other deferred revenue | 2,049,451 | 2,634,334 | 408 | 288,658 | 4,395,535 | |
| | \$ 5,273,613 | \$ 3,734,876 | \$ 28,181 | \$ 1,151,050 | \$ 7,885,620 | |

Canada Community-Building Fund (formerly Federal Gas Tax)

Gas tax revenue is provided by the Government of Canada. The use of funding is established by a funding agreement between the City and the Association of Municipalities of Ontario. Gas tax funding may be used towards designated public transit, water, wastewater, solid waste, community energy systems, roads and capacity building projects as specified in the funding agreements.

Dedicated gas tax

The Provincial Ministry of Transportation provides municipalities with \$.02 per litre of provincial gas tax to improve and expand transit. The funds can only be used to support municipal public transportation expenditures above a municipality's baseline spending.

7. LONG TERM DEBT

| | 2022 | 2021 |
|--|---------------------|----------------------|
| Unsecured bank loan from TD Canada Trust repayable in annual installments of \$318,180 including interest at 1.837%, maturing 2027 | \$ 1,506,776 | \$ 1,792,035 |
| Unsecured bank loan from TD Canada Trust repayable in annual installments of \$82,219 including interest at 1.5%, maturing 2025 | 239,434 | 316,887 |
| Unsecured bank loan from TD Canada Trust repayable in annual installments of \$146,606 including interest at 2.156%, maturing 2030 | 1,066,718 | 1,187,717 |
| Unsecured bank loan from TD Canada Trust repayable in annual installments of \$60,009 including interest at 1.734%, maturing 2026 | 229,972 | 285,039 |
| Unsecured bank loan from TD Canada Trust repayable in annual installments of \$111,881 including interest at 1.369%, maturing 2023 | 110,377 | 219,261 |
| Unsecured bank loan from TD Canada Trust repayable in annual installments of \$93,793 including interest at 2.259%, maturing 2031 | 756,133 | 831,151 |
| Unsecured bank loan from TD Canada Trust repayable in annual installments of \$22,251 including interest at 2.362%, maturing 2032 | 196,123 | 213,335 |
| Unsecured bank loan from TD Canada Trust repayable in annual installments of \$83,527 including interest at 1.369%, maturing 2023 | 82,403 | 163,692 |
| Unsecured bank loan from TD Canada Trust repayable in annual installments of \$332,393 including interest at 2.739%, maturing 2043 | 5,437,437 | 5,616,007 |
| | \$ 9,625,373 | \$ 10,625,124 |

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

7. LONG TERM DEBT - continued

Schedule of loan principal payments are as follows:

| | | |
|------------|----|------------------|
| 2023 | \$ | 1,019,956 |
| 2024 | | 843,312 |
| 2025 | | 860,518 |
| 2026 | | 797,423 |
| 2027 | | 754,662 |
| Thereafter | | 5,349,502 |
| | | 9,625,373 |

8. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus, reserves and reserve funds and internally restricted entities as follows:

| | 2022 | 2021 |
|---------------------------------------|-----------------------|-----------------------|
| Current funds | \$ (574,198) | \$ (467,405) |
| Investment in tangible capital assets | 179,340,565 | 172,639,633 |
| Long term investment | 9,500,000 | 10,000,000 |
| | 188,266,367 | 182,172,228 |
| Reserves and Reserve Funds | | |
| Working capital | 4,461,465 | 4,461,465 |
| Contingencies | 5,758,770 | 5,258,535 |
| Capital expenditure purposes | 19,266,566 | 16,806,979 |
| Replacement of equipment | 1,495,094 | 1,535,641 |
| Museum | 411,405 | 407,201 |
| Cemetery Columbarium | 283,398 | 234,478 |
| Current expenditures purposes | 2,640,809 | 3,160,942 |
| Total Reserves and Reserve Funds | 34,317,507 | 31,865,241 |
| Internally Restricted Entity | | |
| Citizens' Prosperity Trust Fund | 40,700,219 | 43,496,792 |
| ACCUMULATED SURPLUS | \$ 263,284,093 | \$ 257,534,261 |

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

9. TANGIBLE CAPITAL ASSETS

| | Land | Site Improve- ments | Buildings | Equipment | Fleet | Docks and Wharfs | Roads and Bridges | Water | Waste Water | Work in Progress and Other | 2022 |
|--|----------------------|------------------------|----------------------|---------------------|----------------------|---------------------|-----------------------|----------------------|----------------------|----------------------------------|-----------------------|
| Cost, beginning of year | \$ 11,730,819 | \$ 9,840,499 | \$ 46,632,176 | \$ 7,670,005 | \$ 20,686,786 | \$ 2,380,376 | \$ 122,698,420 | \$ 44,701,437 | \$ 64,149,317 | \$ 10,672,652 | \$ 341,162,487 |
| Additions | 3,277 | 141,356 | 482,116 | 615,238 | 1,288,712 | 103,224 | 5,382,279 | 1,654,402 | 1,211,709 | 3,655,198 | \$ 14,537,511 |
| Disposals/transfers | 393,124 | - | (184,670) | (1,191,950) | (492,485) | - | (875,046) | 897,437 | 4,580 | (2,211,646) | \$ (3,660,656) |
| Cost, end of year | \$ 12,127,220 | \$ 9,981,855 | \$ 46,929,622 | \$ 7,093,293 | \$ 21,483,013 | \$ 2,483,600 | \$ 127,205,653 | \$ 47,253,276 | \$ 65,365,606 | \$ 12,116,204 | \$ 352,039,342 |
| Accumulated amortization, beginning of year | \$ - | \$ 3,245,862 | \$ 12,201,041 | \$ 5,752,332 | \$ 9,934,855 | \$ 842,883 | \$ 76,873,628 | \$ 17,021,104 | \$ 26,258,976 | \$ 5,767,049 | \$ 157,897,730 |
| Amortization | - | 387,404 | 1,222,756 | 402,826 | 1,104,549 | 77,447 | 2,937,646 | 637,279 | 1,165,694 | 386,084 | \$ 8,321,685 |
| Disposals | - | - | (195,159) | (1,191,949) | (457,214) | - | (1,151,103) | (44,960) | (105,627) | - | \$ (3,146,012) |
| Accumulated amortization, end of year | \$ - | \$ 3,633,266 | \$ 13,228,638 | \$ 4,963,209 | \$ 10,582,190 | \$ 920,330 | \$ 78,660,171 | \$ 17,613,423 | \$ 27,319,043 | \$ 6,153,133 | \$ 163,073,403 |
| Net carrying amounts, end of year | \$ 12,127,220 | \$ 6,348,589 | \$ 33,700,984 | \$ 2,130,084 | \$ 10,900,823 | \$ 1,563,270 | \$ 48,545,482 | \$ 29,639,853 | \$ 38,046,563 | \$ 5,963,071 | \$ 188,965,939 |

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from services) is \$2,621,449 (2021 - \$1,435,776). The municipality holds various works of art and historical treasures pertaining to the Lake of the Woods Museum. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

9. TANGIBLE CAPITAL ASSETS

| | Land | Site Improve- ments | Buildings | Equipment | Fleet | Docks and Wharfs | Roads and Bridges | Water | Waste Water | Work in Progress and Other | 2021 |
|--|---------------|------------------------|---------------|--------------|---------------|---------------------|----------------------|---------------|---------------|----------------------------------|-----------------------|
| Cost, beginning of year | \$ 11,767,007 | \$ 9,751,833 | \$ 46,504,399 | \$ 7,385,350 | \$ 20,080,091 | \$ 2,380,376 | \$ 119,251,841 | \$ 43,399,601 | \$ 62,050,003 | \$ 10,249,673 | \$ 332,820,174 |
| Additions | 161,730 | 95,629 | 128,583 | 284,655 | 1,952,179 | | 3,687,409 | 1,394,578 | 2,098,332 | 1,202,762 | 11,005,857 |
| Disposals/transfers | (197,918) | (6,963) | (806) | | (1,345,484) | | (240,830) | (92,742) | 982 | (779,783) | (2,663,544) |
| Cost, end of year | \$ 11,730,819 | \$ 9,840,499 | \$ 46,632,176 | \$ 7,670,005 | \$ 20,686,786 | \$ 2,380,376 | \$ 122,698,420 | \$ 44,701,437 | \$ 64,149,317 | \$ 10,672,652 | \$ 341,162,487 |
| Accumulated amortization, beginning of year | \$ - | \$ 2,869,238 | \$ 10,985,937 | \$ 5,389,788 | \$ 9,827,393 | \$ 767,540 | \$ 74,141,789 | \$ 16,463,343 | \$ 25,307,675 | \$ 5,875,828 | \$ 151,628,531 |
| Amortization | - | 383,587 | 1,215,880 | 362,544 | 1,024,333 | 75,343 | 2,972,669 | 620,067 | 1,142,081 | 423,550 | 8,220,054 |
| Disposals | - | (6,963) | (776) | - | (916,871) | - | (240,830) | (62,306) | (190,780) | (532,329) | (1,950,855) |
| Accumulated amortization, end of year | \$ - | \$ 3,245,862 | \$ 12,201,041 | \$ 5,752,332 | \$ 9,934,855 | \$ 842,883 | \$ 76,873,628 | \$ 17,021,104 | \$ 26,258,976 | \$ 5,767,049 | \$ 157,897,730 |
| Net carrying amounts, end of year | \$ 11,730,819 | \$ 6,594,637 | \$ 34,431,135 | \$ 1,917,673 | \$ 10,751,931 | \$ 1,537,493 | \$ 45,824,792 | \$ 27,680,333 | \$ 37,890,341 | \$ 4,905,603 | \$ 183,264,757 |

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

10. OTHER INCOME

| | 2022 | 2021 |
|------------------------------------|---------------------|---------------------|
| Penalties and interest on taxation | \$ 357,652 | \$ 331,176 |
| Investment income | (1,384,797) | 1,864,518 |
| Donations | 569,755 | 457,015 |
| Miscellaneous | 2,978,668 | 1,926,794 |
| | \$ 2,521,278 | \$ 4,579,503 |

11. PENSION AGREEMENTS

The municipality and its employees contribute to the Ontario Municipal Employees Retirement System ("OMERS"), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is jointly responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has approximately 559,000+ active, deferred and retired members.

Each year an independent actuary determines the Plan's funded status 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, 2022, the estimated accrued pension obligation for all members (including survivors) of the Plan was \$128,789 million (2021 - \$119,342 million). The Plan had net assets available for benefits of \$124,382 million at the end of 2022 (2021 - \$120.919 million). The resulting funding deficit was \$6,100 million as at December 31, 2022 (2021 - \$69 million deficit). The actuary does not attribute portions of the unfunded liability to individual employers. The Corporation of the City of Kenora paid \$1,077,887 for employer contributions to the plan in 2022 (2021 - \$1,019,916).

12. PUBLIC SECTOR SALARY DISCLOSURE

For 2022, the following employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more:

| Name | Position | Salary Paid | Taxable Benefit |
|------------------|--|-------------|-----------------|
| Atanasio Kyle | Chief Administrative Officer | 171,543 | 2,016 |
| Vogrig Marco | Acting Dir. of Engineering and Infrastructure Services | 150,994 | 1,876 |
| Marsh Roberta | Director of Human Resources, Risk and Insurance | 144,455 | 1,916 |
| Edie Charlotte | Director of Finance/Treasurer | 144,377 | 1,837 |
| Pihulak Heather | Director of Corporate Services/City Clerk | 144,098 | 1,830 |
| Gander Stace | Director of Community Services | 144,098 | 1,830 |
| Readman Steven | Director of Fire and Emergency Services/Fire Chief | 130,446 | 1,686 |
| Birch Brian | Captain, Firefighter | 128,744 | 1,453 |
| Chmeliuk William | Captain, Firefighter | 125,101 | 1,156 |
| Sumner Kevan | City Planner | 122,518 | 1,574 |
| McLeod Terry | Captain, Firefighter | 119,247 | 1,253 |
| Schott Doug | Captain, Firefighter | 117,048 | 1,459 |
| Sinclair Gary | Firefighter | 116,747 | 1,265 |
| Bichon Earl | Firefighter | 113,837 | 1,033 |
| Ammerman Kenton | Firefighter | 113,776 | 1,209 |
| Mellor David | Project Engineer | 111,774 | 1,485 |
| Ross Aaron | Firefighter | 108,350 | 1,186 |
| Sitar Kyle | Firefighter | 107,774 | 1,249 |
| Robertson Kevin | Chief Building Official | 106,214 | 1,441 |
| Pokharel Mukesh | Environmental Services Manager | 106,214 | 1,441 |
| Tivy Kris | Firefighter | 102,811 | 971 |
| Wilcott Roger | Manager, Roads | 102,670 | 1,369 |
| Derouard Gerald | Manager, Fleet Services | 101,866 | 1,363 |

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

13. BUDGET

The Financial Plan (Budget) By-Law adopted by Council on 17 May 2022 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and changes in net financial assets represent the Financial Plan adopted by Council on 17 May 2022 with adjustments as follows:

| | 2022 | 2021 |
|---|---------------------|---------------------|
| Financial plan (budget) by-law surplus (deficit) for the year | \$ (2,847,509) | (592,640) |
| Add: | | |
| Capital expenditures | 19,439,105 | 16,007,715 |
| Debt principal repayments | 962,812 | 1,059,903 |
| Less: | | - |
| Debenture financing of capital expenditures | (2,794,110) | (2,100,000) |
| Budgeted transfers from accumulated surplus | (2,293,206) | (2,057,646) |
| Amortization | (8,321,685) | (8,220,054) |
| Budget surplus per statement of operations | \$ 4,145,407 | \$ 4,097,278 |

14. COLLECTION OF TAXES ON BEHALF OF OTHER TAXATION AUTHORITIES

During the year, taxation revenue of \$4,826,468 (2021 - \$4,786,816) was raised and remitted to the school boards.

15. TRUST FUNDS

The trust funds administered by the municipality for the benefit of external parties have not been included in the statement of financial position nor have the operations been included in the statement of operations. At 31 December, the trust funds balances are as follows:

| | 2022 | 2021 |
|----------------------------|-------------------|-------------------|
| Lake of the Woods Cemetery | | |
| Land Fund | \$ 13,234 | \$ 11,055 |
| Perpetual Care Fund | 753,384 | 717,314 |
| Langford Estate | 60,634 | 59,294 |
| | \$ 827,252 | \$ 787,663 |

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

16. EMPLOYEE FUTURE BENEFITS

The City of Kenora pays certain health and dental benefits on behalf of its retired employees. Active employees are also eligible to receive non-vesting sick leave benefits. The City recognizes post-employment and non-vesting sick leave costs in the period in which the employees rendered the services. The expense for the twelve months ended 31 December 2022 was (\$693,855) (2021 - \$162,014), and the resulting future employee benefit liability was \$2,425,446 at 31 December 2022 (2021 - \$3,119,302).

The main assumptions employed in the actuarial valuation prepared as at 31 December 2022 for the calculation of employee future benefits are as follows:

1. Interest (Discount) Rate

The obligation as at December 31, 2022 of the present value of future liabilities was determined using a discount rate of 4.3% and expense for the 12 months ended December 31, 2022 was determined using a discount rate of 2.20%.

2. Medical Costs

Medical costs were assumed to increase 5.27% per year to 2026 and between 3.57% and 5.16% per year thereafter

3. Dental Costs

Dental costs were assumed to increase 5.00% per year to 2026 and between 3.57% and 4.95% per year thereafter.

4. Salary and wage rates

Salary and wage rates were assumed to increase 1.50% per year to 2022 and 2.50% per year thereafter.

17. EMPLOYEE FUTURE BENEFITS PAYABLE

| | 2022 | 2021 |
|------------------------------------|---------------------|---------------------|
| Employee future benefits (Note 16) | \$ 2,425,446 | \$ 3,119,302 |
| Vested sick leave | 69,654 | 69,061 |
| Lieu time accrual | 141,262 | 132,155 |
| | \$ 2,636,362 | \$ 3,320,518 |

18. CONTINGENT LIABILITIES

At 31 December 2022, the Corporation of the City of Kenora has guaranteed bank indebtedness of the following: Kenora Golf and Country Club in the amount of \$50,574 (2021 - \$93,906) (the maximum amount of the guarantee is \$650,000), the Kenora Health Care Centre in the amount of \$5,285,428 (2021 - \$5,508,633) and the Kenora Airport Authority Inc. in the amount of \$466,551 (2021 - \$500,000). The City was required to provide a \$200,000 deposit to satisfy the guarantee requirements. The City has no recourse if a loan guarantee must be exercised.

The Corporation of the City of Kenora's pro-rata share of the cumulative operating deficit of the District of Kenora Home for the Aged is \$910,017 (2021 - \$910,017). The Home's management expects to recover this deficit from projected future surpluses. A billing to Municipalities for their respective share of the deficit is not anticipated.

The Corporation of the City of Kenora has several claims and possible claims pending against it. The outcome of these claims is not yet determined and no amounts have been recorded in the accounts relating to these claims and possible claims.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

19. LANDFILL CLOSURE AND POST-CLOSURE LIABILITIES

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

The City has one inactive landfill site. It has previously incurred all costs relating to the closure and retains responsibility for all costs relating to post-closure care which are recorded annually as they are incurred.

The City maintains one active landfill site which has an estimated remaining useful life of approximately 15 years. Based on an environmental assessment performed by consultants as at 31 December 2022, \$142,613 has been accrued relating to the closure & post-closure care for this landfill site at 31 December 2022 (2021 - \$121,759).

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

20. SEGMENTED INFORMATION

The City of Kenora is a diversified municipal government institution that provides a wide range of services to its citizens, including fire, public transit, solid waste, water and waste water and recreation. For management reporting purposes the City's operations and activities are organized and reported by Segment. Segments were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these functions. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government

General government encompasses all the City's administration including Council, the Administrator's office, finance and administration and human resources.

Protection Services

This segment encompasses contracted police services, fire services and by-law enforcement. The fire department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. The by-law department is responsible for animal control and for enforcing by-laws passed by council. The building inspectors ensure an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws.

Transportation Services

Transportation services are the responsibility of the public works department. This department delivers municipal public works services related to the planning, development and maintenance of roadway systems, transit, docks, wharfs and street lighting.

Environmental Services

The environmental services segment consists of three areas - water, wastewater and solid waste. The department provides drinking water and treats wastewater to a portion of the City. It also provides collection, disposal and waste minimization programs and facilities for solid waste.

Health Services

Health services includes contributions to the Northwestern Health Unit, the Kenora District Services Board for ambulance services and to the Lake of the Woods Cemetery.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2022

20. SEGMENTED INFORMATION (continued)

Social and Family Services

The social and family services segment provides Ontario Works services, day care services and includes contributions to the District of Kenora Home for the Aged and to the Kenora District Services Board for social housing.

Recreation and Cultural Services

Recreation and cultural services is responsible for the maintenance of parks and open space. Also included in this segment are the Kenora Recreation Centre (ice surface, swimming pools and workout facilities) and the Keewatin Memorial Arena (ice surface). The operations of the Kenora Library and the Lake of the Woods Museum are also included in this segment.

Planning and Development

The planning and development segment includes planning, economic development and tourism. It provides services for the approval of all land development plans and the application and enforcement of zoning by-laws.

In addition, as noted in significant accounting policies, these financial statements consolidate the revenue and expenses of various entities. These entities have been separately disclosed in the segmented information which follows.

THE CORPORATION OF THE CITY OF KENORA
SCHEDULE OF CONSOLIDATED SEGMENT DISCLOSURE

For the year ended 31 December 2022

| | General Government | Protection Services | Transportation Services | Environmental Services | Health Services | Social and Family Services | Recreation and Cultural Services | Planning and Development | Eliminations | 2022 Total |
|------------------------------|-----------------------|------------------------|----------------------------|---------------------------|--------------------|----------------------------------|--|-----------------------------|-----------------------|---------------------|
| Revenues | | | | | | | | | | |
| Taxation | \$ 2,618,978 | \$ 8,249,653 | \$ 6,152,034 | \$ 381,227 | \$ 2,206,672 | \$ 2,993,588 | \$ 4,350,679 | \$ 1,604,339 | \$ - | \$ 28,557,170 |
| Fees and user charges | 192,892 | 612,593 | 781,467 | 13,916,768 | 266,785 | - | 1,796,244 | 122,326 | - | 17,689,075 |
| Government grants | 446,337 | 1,474,600 | 3,967,638 | 986,632 | 417,880 | 378,340 | 3,448,847 | 977,275 | (1,359,472) | 10,738,077 |
| Other | (1,681,418) | 223,173 | 154,973 | 409,629 | 56,676 | 75,541 | 576,569 | 2,706,135 | - | 2,521,278 |
| | 1,576,789 | 10,560,019 | 11,056,112 | 15,694,256 | 2,948,013 | 3,447,469 | 10,172,339 | 5,410,075 | (1,359,472) | 59,505,600 |
| Expenses | | | | | | | | | | |
| Salaries and benefits | 2,666,864 | 2,923,322 | 3,125,916 | 4,112,113 | 227,425 | - | 3,799,557 | 954,667 | - | 17,809,864 |
| Materials and supplies | 1,128,903 | 7,605,023 | 3,317,010 | 4,949,238 | 130,426 | - | 2,816,095 | 1,211,462 | - | 21,158,157 |
| External transfer | - | - | 98,989 | - | 2,443,543 | 3,652,422 | 20,000 | - | - | 6,214,954 |
| Interest on long-term debt | - | 35,157 | 150,607 | 31,821 | - | - | 23,815 | 9,708 | - | 251,108 |
| Amortization | 150,370 | 350,980 | 4,160,225 | 2,337,587 | 23,472 | - | 1,012,103 | 286,948 | - | 8,321,685 |
| | 3,946,137 | 10,914,482 | 10,852,747 | 11,430,759 | 2,824,866 | 3,652,422 | 7,671,570 | 2,462,785 | - | 53,755,768 |
| Net surplus (deficit) | \$ (2,369,348) | \$ (354,463) | \$ 203,365 | \$ 4,263,497 | \$ 123,147 | \$ (204,953) | \$ 2,500,769 | \$ 2,947,290 | \$ (1,359,472) | \$ 5,749,832 |

| | General Government | Protection Services | Transportation Services | Environmental Services | Health Services | Social and Family Services | Recreation and Cultural Services | Planning and Development | Eliminations | 2021 Total |
|------------------------------|-----------------------|------------------------|----------------------------|---------------------------|--------------------|----------------------------------|--|-----------------------------|-----------------------|---------------------|
| Revenues | | | | | | | | | | |
| Taxation | \$ 2,934,479 | \$ 7,610,784 | \$ 6,334,923 | \$ 393,853 | \$ 2,005,319 | \$ 2,992,724 | \$ 4,435,001 | \$ 1,029,009 | \$ - | \$ 27,736,092 |
| Fees and user charges | 174,554 | 545,724 | 737,404 | 13,304,446 | 232,632 | - | 1,054,048 | 92,898 | - | 16,141,706 |
| Government grants | 564,498 | 1,552,624 | 2,839,126 | 76,226 | 406,970 | 428,426 | 2,179,147 | 642,989 | (1,287,588) | 7,402,418 |
| Other | 1,193,834 | 318,622 | 265,209 | 355,057 | 84,352 | 125,289 | 579,045 | 1,658,095 | - | 4,579,503 |
| | 4,867,365 | 10,027,754 | 10,176,662 | 14,129,582 | 2,729,273 | 3,546,439 | 8,247,241 | 3,422,991 | (1,287,588) | 55,859,719 |
| Expenses | | | | | | | | | | |
| Salaries and benefits | 2,414,912 | 2,867,839 | 2,964,764 | 3,947,221 | 225,834 | - | 3,375,220 | 1,178,134 | - | 16,973,924 |
| Materials and supplies | 885,145 | 7,083,953 | 2,197,974 | 4,620,685 | 103,267 | - | 2,155,968 | 1,080,137 | - | 18,127,129 |
| External transfer | - | - | 81,800 | - | 2,250,155 | 3,710,453 | 991,482 | - | - | 7,033,890 |
| Amortization | 143,109 | 376,553 | 4,125,840 | 2,283,161 | 22,392 | - | 997,789 | 271,212 | - | 8,220,056 |
| | 3,443,166 | 10,328,345 | 9,370,378 | 10,851,067 | 2,601,648 | 3,710,453 | 7,520,459 | 2,529,483 | - | 50,354,999 |
| Net surplus (deficit) | \$ 1,424,199 | \$ (300,591) | \$ 806,284 | \$ 3,278,515 | \$ 127,625 | \$ (164,014) | \$ 726,782 | \$ 893,508 | \$ (1,287,588) | \$ 5,504,720 |

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes, certain government grants and interest income have been apportioned based on a percentage of budgeted expenses.

THE CORPORATION OF THE CITY OF KENORA
SCHEDULE OF CONSOLIDATED SEGMENT DISCLOSURE BY ENTITY
For the year ended 31 December 2022

| | City | Lake of the Woods Museum | Kenora Public Library | Provincial Offences | 2022 Total |
|------------------------------|---------------------|--------------------------------|-----------------------------|------------------------|---------------------|
| Revenues | | | | | |
| Taxation | \$ 28,557,170 | \$ - | \$ - | \$ - | 28,557,170 |
| Fees and user charges | 17,143,805 | 148,545 | 30,205 | 366,520 | 17,689,075 |
| Government grants | 10,487,722 | 207,842 | 42,513 | - | 10,738,077 |
| Other | 2,096,780 | 387,886 | 36,612 | - | 2,521,278 |
| | 58,285,477 | 744,273 | 109,330 | 366,520 | 59,505,600 |
| Expenses | | | | | |
| Salaries and benefits | 16,561,110 | 518,774 | 516,781 | 213,199 | 17,809,864 |
| Materials and supplies | 20,294,422 | 608,952 | 153,853 | 100,930 | 21,158,157 |
| External transfer | 7,435,433 | (552,023) | (668,456) | - | 6,214,954 |
| Interest on long-term debt | 251,108 | - | - | - | 251,108 |
| Amortization | 8,240,641 | 32,799 | 48,245 | - | 8,321,685 |
| | 52,782,714 | 608,502 | 50,423 | 314,129 | 53,755,768 |
| Net surplus (deficit) | \$ 5,502,763 | \$ 135,771 | \$ 58,907 | \$ 52,391 | \$ 5,749,832 |

| | City | Lake of the Woods Museum | Kenora Public Library | Provincial Offences | 2021 Total |
|------------------------------|---------------------|--------------------------------|-----------------------------|------------------------|---------------------|
| Revenues | | | | | |
| Taxation | \$ 27,736,092 | \$ - | \$ - | \$ - | 27,736,092 |
| Fees and user charges | 15,672,555 | 111,360 | 26,834 | 330,957 | 16,141,706 |
| Government grants | 7,184,199 | 168,057 | 50,162 | - | 7,402,418 |
| Other | 4,103,186 | 445,516 | 30,801 | - | 4,579,503 |
| | 54,696,032 | 724,933 | 107,797 | 330,957 | 55,859,719 |
| Expenses | | | | | |
| Salaries and benefits | 15,724,263 | 500,902 | 530,716 | 218,043 | 16,973,924 |
| Materials and supplies | 17,607,693 | 276,679 | 166,752 | 76,005 | 18,127,129 |
| External transfer | 7,392,598 | 286,812 | (645,520) | - | 7,033,890 |
| Amortization | 8,142,444 | 32,545 | 45,067 | - | 8,220,056 |
| | 48,866,998 | 1,096,938 | 97,015 | 294,048 | 50,354,999 |
| Net surplus (deficit) | \$ 5,829,034 | \$ (372,005) | \$ 10,782 | \$ 36,909 | \$ 5,504,720 |

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes, certain government grants and interest income have been apportioned based on a percentage of budgeted expenses.