



Annual Financial Report

For the year ended December 31, 2023

The Corporation of the City of Thunder Bay

Ontario, Canada

Prepared by the Office of the City Treasurer



Land Acknowledgement

We respectfully acknowledge that the City of Thunder Bay is located on the ancestral lands of the Anishinaabeg (or Anishinaabe people) and traditional territory of the Ojibwa people of Fort William First Nation, signatories to the Robinson Superior Treaty of 1850, and original caretakers and stewards of this area. We honour their long-standing relationships with this land, which have sustained their cultures, ceremonies, and communities for generations.

We also recognize the contributions of a diversity of Indigenous peoples and communities, including Métis and Inuit, who now consider this land their home. The financial, cultural, and social contributions of all Indigenous peoples and communities in this area enrich and strengthen the fabric of Thunder Bay.

We remain committed to reconciliation by fostering meaningful relationships with Indigenous peoples, communities, and governments, while addressing the lasting impacts of historical and ongoing injustices. Together, we look toward a future built on respect, collaboration, and shared prosperity.



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Message from the City Treasurer

His Worship Mayor Ken Boshcoff
Members of Council
Residents and Ratepayers of the City of Thunder Bay



I am pleased to share the Corporation of the City of Thunder Bay's Annual Financial Report, including the audited Consolidated Financial Statements for the year ended December 31, 2023 in accordance with the *Municipal Act, 2001*.

This Report provides an overview of the City's financial condition through the elements of sustainability, flexibility, and vulnerability as well as the financial performance for the 2023 year. This is our opportunity to share information with the City's stakeholders and other readers so they may understand and assess the City of Thunder Bay's financial activities and available resources.

The Consolidated Financial Statements have been prepared in accordance with Public Sector Accounting Standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The Consolidated Financial Statements have been audited by BDO Canada LLP.

Once again, the City of Thunder Bay maintained its AA+ credit rating with a stable outlook from S&P Global Ratings. As a key performance indicator, the credit rating recognizes the City's sound financial management practices and its ability to implement its strategic plan and budget.

I would like to thank City Council, City Administration, Boards and Agencies for their support and cooperation throughout the year. In particular, I would like to thank the staff in the Office of the City Treasurer for their support during my first year as City Treasurer. The Team continues to deliver timely and accurate financial information and promotes high standards of fiscal stewardship, accountability and transparency.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keri Greaves'.

Keri Greaves, CPA
City Treasurer



Financial Reporting

Consolidated Financial Statements

Management is responsible for the preparation of the financial statements and for the integrity and objectivity of the financial information contained in those statements. The financial statements contained in this report have been prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada.

The City Treasurer is responsible for the overall financial management of the City and must ensure that all corporate accounting records and financial reports conform to Council budgetary requirements, by-laws, policies, procedures, accounting principles and financial reporting requirements.

The Consolidated Financial Statements include all organizations that are owned or controlled by the City, which means the financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity.

Interdepartmental and inter-organizational transactions and balances between the City and these organizations are eliminated. Thunder Bay Hydro Corporation is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City's, and inter-organizational transactions and balances are not eliminated.

Reconciling the Budget

The City of Thunder Bay Budget Policy supports the effective allocation of human, technological, and financial resources to achieve the City's goals and objectives. The City has established service levels in accordance with legislation, Council direction, or best practices. Where there has not been explicit direction, service levels reflect Administration's understanding of what residents have come to expect from the Municipality. Changes to service levels are reflected in the budget process through expansions, reductions, user fees and one-time items.

In accordance with the *Municipal Act, 2001*, the City of Thunder Bay 2023 Operating and Capital Budgets were approved by Council in February 2023.

The Budget is prepared on a modified accrual basis of accounting which combines aspects of both cash basis and accrual basis of accounting. In contrast, the audited financial statements are prepared under the accrual basis of accounting and Public Sector Accounting Standards (PSAS).



There are significant differences between the two reporting methods due to the treatment of employee obligations and other liabilities, reserve and reserve fund transactions, and tangible capital assets. The budget figures presented in the 2023 Consolidated Financial Statements have been reclassified to comply with Public Sector Accounting Standard reporting requirements. The standards require that all interfund transfers, capital expenditures, and debt principal repayments be removed, and amortization, employee future benefits, asset retirement obligations, and consolidated board budgets be included. Note 21 in the financial statements reconciles the approved budget with the budget figures as presented in the consolidated financial statements.

External Auditors

The *Municipal Act, 2001* requires the City to engage independent auditors to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the City's financial position and results from operations and cash flows in accordance with public sector accounting standards. The City of Thunder Bay's independent auditors, BDO Canada LLP, have issued an unqualified Auditor's Report on the financial statements included in this report.

Audit Committee

The mandate of the City of Thunder Bay Audit Committee includes:

- Ensuring the external audit function has been effectively carried out and that any matter which the independent auditors have brought to the attention of the Audit Committee has been addressed.
- Reviewing and discussing with management their responsibility for assessing the City's internal control systems and monitoring compliance with laws, regulations and policy.
- Reviewing the annual financial statements and considering whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Reviewing significant accounting and reporting issues, including complex or unusual transactions, highly judgemental areas, recent professional/regulatory pronouncements, and understanding their impact on the financial statements.
- Recommending to City Council, approval of the annual audited financial statements.

The Audit Committee met with Administration and the external Auditors in October 2024 and recommended approval of the audited financial statements.



Corporate Structure

Thunder Bay City Council

- Mayor Ken Boshcoff
- Councillor Rajni Agarwal - At Large
- Councillor Albert Aiello - McIntyre Ward
- Councillor Mark Bentz - At Large
- Councillor Shelby Ch'ng - At Large
- Councillor Kasey Etreni - At Large
- Councillor Andrew Foulds - Current River Ward
- Councillor Trevor Giertuga - At Large
- Councillor Brian Hamilton - McKellar Ward
- Councillor Greg Johnson - Neebing Ward
- Councillor Kristen Oliver - Westfort Ward
- Councillor Dominic Pasqualino - Northwood Ward
- Councillor Michael Zussino - Red River Ward

Executive Leadership Team

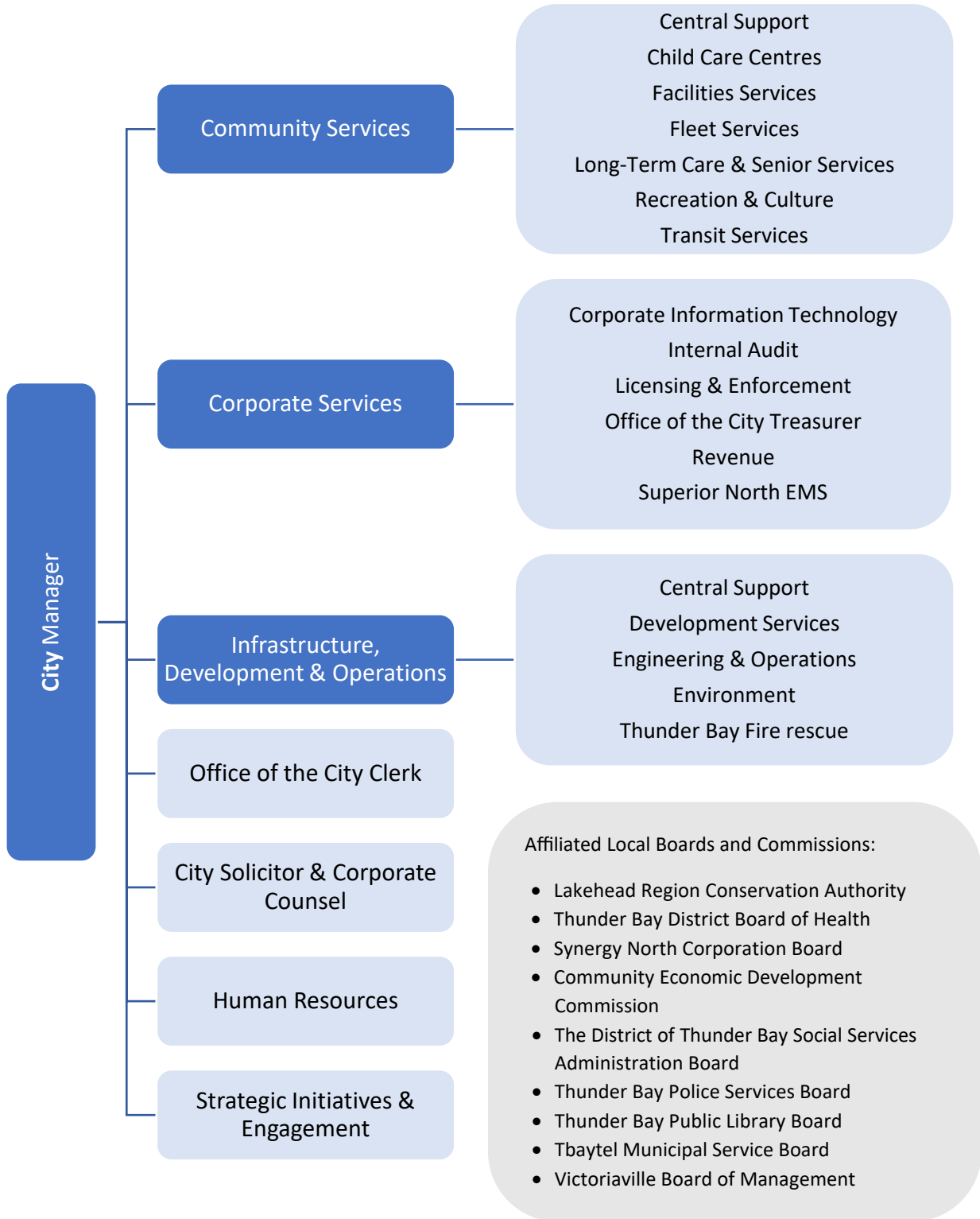
- | | |
|---|-----------------|
| • City Manager | John Collin* |
| • General Manager, Community Services | Kelly Robertson |
| • General Manager, Corporate Services | Karen Lewis |
| • General Manager, Infrastructure, Development & Operations | Kerri Marshall |
| • City Treasurer | Keri Greaves |
| • City Solicitor | Patty Robinet |
| • Director, Human Resources | Karie Ortgiese |
| • Director, Legislative Services and City Clerk | Krista Power |
| • Director, Strategy & Engagement | Cynthia Olsen |

**Replaced Norm Gale who retired in June 2024*

External Auditor

- BDO Canada LLP





Financial Condition

BMA Management Consulting Inc. [BMA] completes a comparative municipal study each year with participating Ontario municipalities. The 2023 study, released in December 2023 reflects financial data from 2022 and prior. The study includes financial indicators that help evaluate a municipality's financial outlook and performance.

Sustainability

Sustainability is the ability to provide and maintain service and infrastructure levels without resorting to unplanned increases in rates or cuts to services.

Financial Position per Capita

The financial position per capita indicator measures the City's net financial position relative to the population and includes all the City's financial assets and liabilities. Negative results indicate that liabilities exceed financial assets and future revenues will be required to pay for past transactions and events. The following data shows that the City's liabilities exceed its financial assets, however the trend over the past five (5) years reflect continued improvement. The City's net debt is primarily resulting from municipal debenture debt related to tax supported and rate supported capital projects as well as capital projects for Tbaytel.

	2022	2021	2020	2019	2018
Thunder Bay	\$(193)	\$(165)	\$(620)	\$(1,010)	\$(1,089)
Ontario Average	\$1,024	\$925	\$811	\$644	\$513

Asset Consumption Ratio

The asset consumption ratio reflects the value of the tangible capital assets that have been consumed and provides an indication of the aged condition of the assets and the potential asset replacement needs. A higher ratio may indicate significant replacement needs. The Ministry of Municipal Affairs and Housing provides the following scale with respect to this metric.

Relatively New	<25%	Moderately Old	51%-75%
Moderately New	26%-50%	Old	>75%

The following data shows that the City of Thunder Bay's infrastructure, in aggregate, is moderately old. However, through effective asset renewal and replacement strategies in accordance with the Asset Management Plan the City will be able to manage and maintain its infrastructure.

	2022	2021	2020	2019	2018
Thunder Bay	60.7%	60.7%	60.1%	59.2%	58.2%
Ontario Average	43.5%	43.1%	42.6%	42.1%	41.6%



Flexibility

Flexibility is the ability to issue debt responsibly without impacting the credit rating as well as the ability to generate required revenues. Reserves and reserve funds offer liquidity which enhances the City's flexibility in addressing operating requirements and in permitting the City to temporarily fund capital projects, allowing it time to secure debt financing.

Tax Discretionary Reserves as a Percentage of Taxation

The tax discretionary reserves as a percentage of taxation indicates the total value of funds held in reserves and reserve funds in relation to total taxation revenue. This is a strong indicator of financial stability.

	2022	2021	2020	2019	2018
Thunder Bay	75%	82%	69%	61%	57%
Ontario Average	100%	96%	88%	82%	76%

Reserves Per Capita

The reserves per capita measures total reserves and reserve funds divided by the population. The City's reserves and reserve funds are above average compared to the province.

	2022	2021	2020	2019	2018
Thunder Bay	\$1,721	\$1,761	\$1,442	\$1,216	\$1,090
Ontario Average	\$1,484	\$1,360	\$1,264	\$1,173	\$1,034

Debt Service Ratio

The debt service ratio compares the annual principal and interest costs to the City's own source revenue and is a measure of the City's ability to service its debt payments. As debt servicing costs increase, it reduces expenditure flexibility. The MMAH has prescribed a maximum debt service ratio of 25% for municipalities. The City has established a corporate debt service ratio of 10% as part of its debt management strategy and is well within that threshold. This target is also generally recommended by credit rating agencies.

	2022	2021	2020	2019	2018
Thunder Bay	5.9%	6.1%	6.3%	5.9%	5.6%
Ontario Average	4.8%	4.6%	5.1%	5.2%	5.3%

Total Debt Outstanding Per Capita

The total debt outstanding per capita measures total debt divided by the population. The City is significantly higher than the provincial average primarily due to long-term borrowing on behalf of Tbaytel and high levels of rate-supported debt.



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	2022	2021	2020	2019	2018
Thunder Bay	\$1,891	\$1,798	\$1,889	\$1,888	\$1,839
Ontario Average	\$720	\$672	\$685	\$732	\$758

Debt to Reserve Ratio

The debt to reserve ratio provides a measure for financial prudence by comparing total debt to discretionary reserves and reserve fund balances. Generally, credit rating agencies suggest debt should not exceed total reserve and reserve fund balance. A measure above 1.0 indicates the City has more debt than reserve and reserve funds.

	2022	2021	2020	2019	2018
Thunder Bay	1.1	1.0	1.3	1.6	1.7
Ontario Average	0.6	0.6	0.7	0.8	0.9

Vulnerability

Vulnerability addresses a municipality's vulnerability to external sources of funding that it cannot control and its exposure to risks.

Taxes Receivable as a % of Tax Levied

Taxes receivable as a % of tax levied is an indicator of the local economy and the ability of residents to pay their annual taxes. Credit rating agencies consider over 8% a negative factor.

	2022	2021	2020	2019	2018
Thunder Bay	5.6%	5.1%	5.7%	4.7%	4.9%
Northern Ontario Average	5.0%	5.1%	6.9%	6.0%	6.5%

A rising percentage over time, as is the case for the City, may indicate a decline in the municipality's economic health.

Rates Coverage Ratio

The rates coverage ratio measures the City's ability to cover its costs through its own source revenue. According to the MMAH, a basic target is 40%-60%; an intermediate target is 60% -90% and an advanced target is 90% or greater. The City's Rates Coverage Ratio is comparable to the Provincial average.

	2022	2021	2020	2019	2018
Thunder Bay	87.8%	93.2%	90.6%	87.7%	90.7%
Ontario Average	90.6%	90.7%	91.8%	91.6%	91.8%



2023 Financial Results

The Consolidated Financial Statements of the Corporation of the City of Thunder Bay for the year ended December 31, 2023 have been prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPAC) and have been audited by external auditors, BDO Canada LLP. The Independent Auditor's Report reflects an unqualified opinion.

The consolidated financial statements are comprised of all organizations, committees, and local boards accountable which are owned or controlled by the City of Thunder Bay, including:

- Parking Authority
- Tbaytel (Municipal Service Board established by the Corporation of the City of Thunder Bay)
- Thunder Bay Community Economic Development Commission Inc.
- Thunder Bay Police Services Board
- Thunder Bay Public Library Board
- Victoriaville Centre Board of Management
- Victoria Avenue Business Improvement Area
- Waterfront District Business Improvement Area

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated on consolidation.

There are 4 required consolidated financial statements:

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations and Accumulated Surplus
- Consolidated Statement of Changes in Net Debt
- Consolidated Statement of Cash Flows

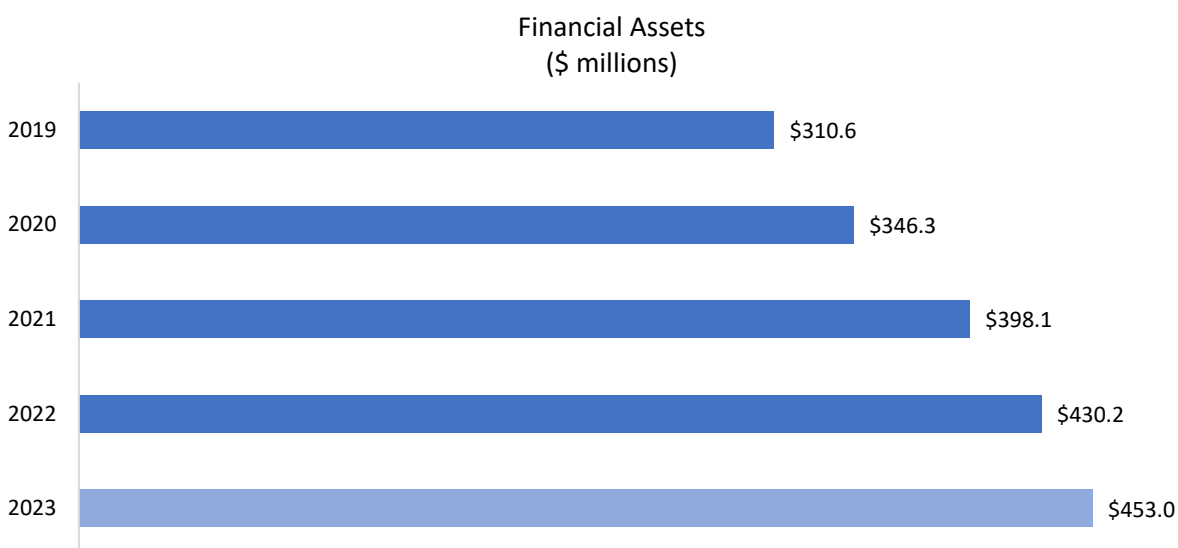


Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position reports the City's financial assets, financial liabilities, non-financial assets, and accumulated surplus as at December 31, 2023. This statement is used to evaluate the City's ability to finance its activities and to meet its liabilities and commitments.

Financial Assets

Financial assets totaled \$453.0 million in 2023 [2022: \$430.2 million], which is an increase of \$22.8 million compared to the prior year.



Line Item (\$ millions)	2023 Actual	2022 Actual	\$ Change	% Change
Cash	20.7	30.4	(9.7)	(31.9%)
Investments	219.9	186.8	33.1	17.7%
Taxes Receivable	15.4	12.9	2.5	19.4%
Accounts Receivable	74.4	68.9	5.5	8.0%
User Charges Receivable	14.7	14.1	0.6	4.3%
Other Assets	4.8	4.9	(0.1)	(2.0%)
Long-Term Receivable	2.2	1.6	0.6	37.5%
Investment in Thunder Bay Hydro Corporation	100.9	110.6	(9.7)	(8.8%)
Total Financial Assets	453.0	430.2	22.8	5.3%

**THE CORPORATION OF THE CITY OF
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1. Cash

2023 Actual	2022 Actual	\$ Change	% Change
\$20.7	\$30.4	(\$9.7)	(31.9%)

Cash is the amount of money available on demand to pay for operating and capital activities. The City keeps sufficient cash on hand to manage its day-to-day business. Cash that is not needed in the short-term is invested to earn a higher rate of return.

The decrease in Cash for 2023 corresponds with an increase to the balance in investments, due to transfer of funds to the ONE Investment. The 2023 balances represent an overall increase to both cash and investments compared with the previous year.

2. Investments

2023 Actual	2022 Actual	\$ Change	% Change
\$219.9	\$186.8	\$33.1	17.7%

Investments are securities held to earn income by way of dividends, interest, and capital gains. The City is enrolled in the ONE Prudent Investment Program, which provides access to a broad range of investment products. In 2023, the City earned an estimated average rate of return of 4.0% [2022: 3.4%] on its portfolio investments.

The increase in Investments for 2023 is due to additional transfers from Cash that were made throughout the year along with positive earning trends.

3. Taxes Receivable

2023 Actual	2022 Actual	\$ Change	% Change
\$15.4	\$12.9	\$2.5	19.4%

Taxes Receivable are uncollected property taxes owed to the City at the end of the year. Property taxes are the City's primary revenue source to finance its day-to-day operations. The 2023 balance represents 6.17% of the levy [2022: 5.4%], up 0.77% from the prior year. There were 4,730 accounts in arrears at the end of 2023, below the five-year average of 4,790.

The City utilizes the collection processes available under legislation to collect outstanding taxes from residents and businesses in a fair and consistent manner.

4. Accounts Receivable

2023 Actual	2022 Actual	\$ Change	% Change
\$74.4	\$68.9	\$5.5	8.0%

Accounts Receivable are amounts owed to the City across its business operations, excluding property taxes, at the end of the year. Examples include grants receivable, and HST rebate.

The increase in Accounts Receivable for 2023 is primarily due to an increase in receivables for TBaytel along with a smaller increase in receivables due to the City related to multi-year capital projects.

5. User Charges Receivable

2023 Actual	2022 Actual	\$ Change	% Change
\$14.7	\$14.1	\$0.6	4.3%

User fees for various City programs and services such as water and sewer are approved by City Council through by-law. User Charges Receivable are the amounts owed to the City for these programs and services at the end of the year.

The increase in User Charges Receivable for 2023 is due to a corresponding 3.0% overall increase to user fee rates and an increase in water consumption.

6. Other Assets

2023 Actual	2022 Actual	\$ Change	% Change
\$4.8	\$4.9	(\$0.1)	(2.0%)

Other Assets represent the TbayTel inventory held for resale. The small decrease in Other Assets for 2023 is due to the normal fluctuation in the volume of inventory on hand at year end.

7. Long-Term Receivable

2023 Actual	2022 Actual	\$ Change	% Change
\$2.2	\$1.6	\$0.6	37.5%

Long-Term Receivables are primarily special contractual arrangements and loans to third parties including local improvement charges, the ReGen Med Loan, and the lead pipe replacement loan program.

The increase in Long-Term Receivable for 2023 is primarily due to an increase in local improvement charges.

8. Investment in Thunder Bay Hydro Corporation

2023 Actual	2022 Actual	\$ Change	% Change
\$100.9	\$110.6	(\$9.7)	(8.8%)

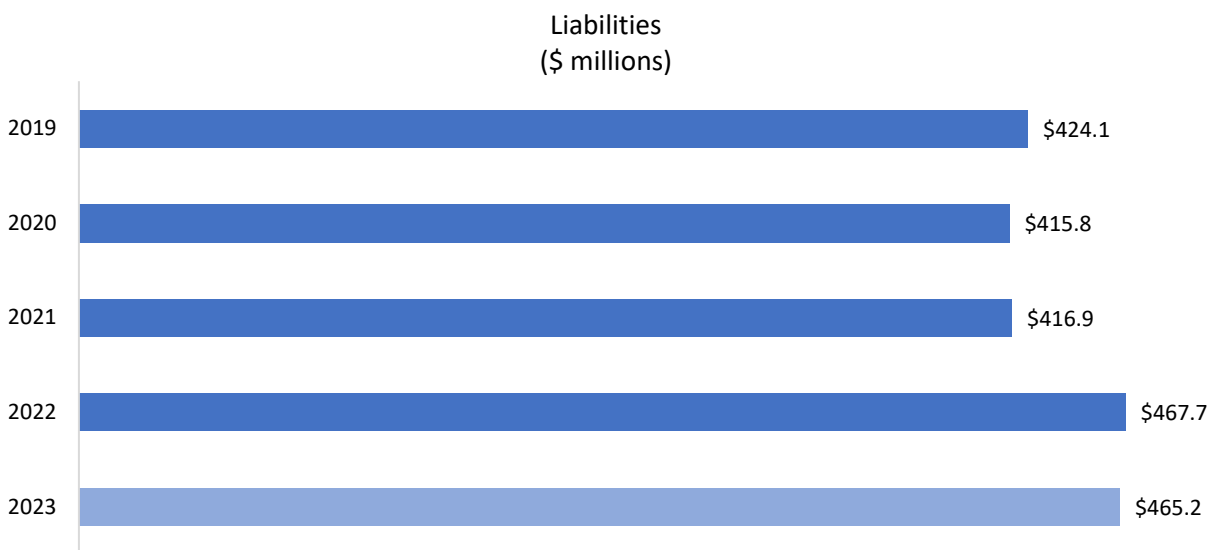
The Thunder Bay Hydro Corporation is wholly owned by the City of Thunder Bay and provides regulated and unregulated electric utility services and complementary commercial services. The Investment in Thunder Bay Corporation includes the value of common shares, promissory note, and accumulated earnings and other income.

The decrease in Investment in Thunder Bay Hydro Corporation for 2023 is due to the \$10.0 million principal repayment on the promissory note that was made in December of 2023.



Liabilities

Liabilities totaled \$465.2 million in 2023 [2022: \$467.7 million], which is a decrease of \$2.5 million compared to the prior year.



Line Item (\$ millions)	2023 Actual	2022 Actual	\$ Change	% Change
Accounts Payable and Accrued Liabilities	80.2	74.2	6.0	8.1%
Deferred Revenue	46.8	37.8	9.0	23.8%
Employee Future Benefits	113.7	117.9	(4.2)	(3.6%)
Municipal Debenture Debt	202.8	216.9	(14.1)	(6.5%)
Asset Retirement Obligation	21.7	20.9	0.8	3.8%
Total Liabilities	465.2	467.7	(2.5)	(0.5%)

1. Accounts Payable and Accrued Liabilities

2023 Actual	2022 Actual	\$ Change	% Change
\$80.2	\$74.2	\$6.0	8.1%

Accounts Payable and Accrued Liabilities are monies the City owes for goods, services, and construction, personnel services, and third-party remittances at the end of the year.

The increase in Accounts Payable and Accrued Liabilities for 2023 is due to typical changes in trade accounts payable and accruals along with an increase in payroll liabilities.

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2. Deferred Revenue

2023 Actual	2022 Actual	\$ Change	% Change
\$46.8	\$37.8	\$9.0	23.8%

Deferred revenues are advanced payments received during the year that will be recognized as revenue in subsequent years when the related activity has taken place. Examples include prepaid taxes, grants, registration fees, advertising, and sewer and water connection deposits.

Deferred revenue also includes obligatory reserve funds where payments have been received for restricted or conditional agreements and can only be used in accordance with those agreements or applicable legislation. Examples of these obligatory reserve funds include Parkland Dedication, the Canada Community-Building Fund, Dedicated Gas Tax Fund, and Ontario Community Infrastructure Fund.

The increase in Deferred Revenue for 2023 is due to an increase in the value of obligatory reserve fund balances.

3. Employee Future Benefits

2023 Actual	2022 Actual	\$ Change	% Change
\$113.7	\$117.9	(\$4.2)	(3.6%)

Employee Future Benefits are actuarial assessments of the City's future obligations for sick leave benefits, , post-employment benefits and Workplace Safety and Insurance Board costs as well as vacation pay.

The decrease in Employee Future Benefits for 2023 is due to updated condition and information regarding outstanding obligations.

4. Municipal Debenture Debt

2023 Actual	2022 Actual	\$ Change	% Change
\$202.8	\$216.9	(\$14.1)	(6.5%)

Municipal Debenture Debt is the principal balance of debentures and construction financing undertaken to support the City's capital infrastructure program.

The decrease in Municipal Debenture Debt for 2023 is due to in-year principal repayments and is similar in value to the change from 2021 to 2022.

5. Asset Retirement Obligation

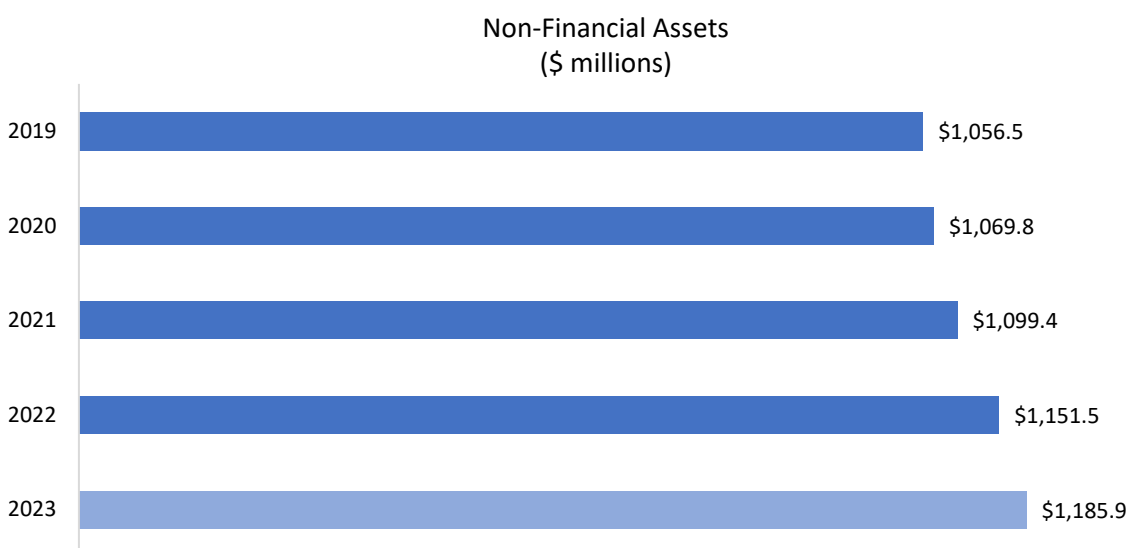
2023 Actual	2022 Actual	\$ Change	% Change
\$21.7	\$20.9	\$0.8	3.8%

Asset Retirement Obligation is a legal obligation associated with the retirement of a tangible capital asset at the end of its life.

The increase in the Asset Retirement Obligation for 2023 is due to the adoption of the new accounting standard and the required ongoing annual measurement of the obligation.

Non-Financial Assets

Non-Financial Assets totaled \$1,185.9 million in 2023 [2022: \$1,151.5 million], which is an increase of \$34.4 million compared to the prior year.



Line Item (\$ millions)	2023 Actual	2022 Actual	\$ Change	% Change
Tangible Capital Assets	1,163.5	1,130.7	32.8	2.9%
Supplies Inventory	14.2	15.9	(1.7)	(10.7%)
Prepaid Expenses	8.2	4.9	3.3	67.3%
Total Non-Financial Assets	1,185.9	1,151.5	34.4	(3.0%)

1. Tangible Capital Assets

2023 Actual	2022 Actual	\$ Change	% Change
\$1,163.5	\$1,130.7	\$32.8	2.9%

Tangible Capital Assets represent the City's investment in general and infrastructure capital including land, land improvements, buildings, vehicles, machinery and equipment, vehicles, network assets, library collection, roads and bridges, and other linear assets. Capital projects are recorded as assets when the project is completed or goes into service.

The increase in Tangible Capital Assets for 2023 is primarily due to an increase in network assets for TBaytel.

2. Supplies Inventory

2023 Actual	2022 Actual	\$ Change	% Change
\$14.2	\$15.9	(\$1.7)	(10.7%)

Supplies Inventory represents the goods held on hand at year-end to support the delivery of services.

The decrease in Supplies Inventory for 2023 is due to normal fluctuations in the amount of inventory on hand.

3. Prepaid Expenses

2023 Actual	2022 Actual	\$ Change	% Change
\$8.2	\$4.9	\$3.3	67.3%

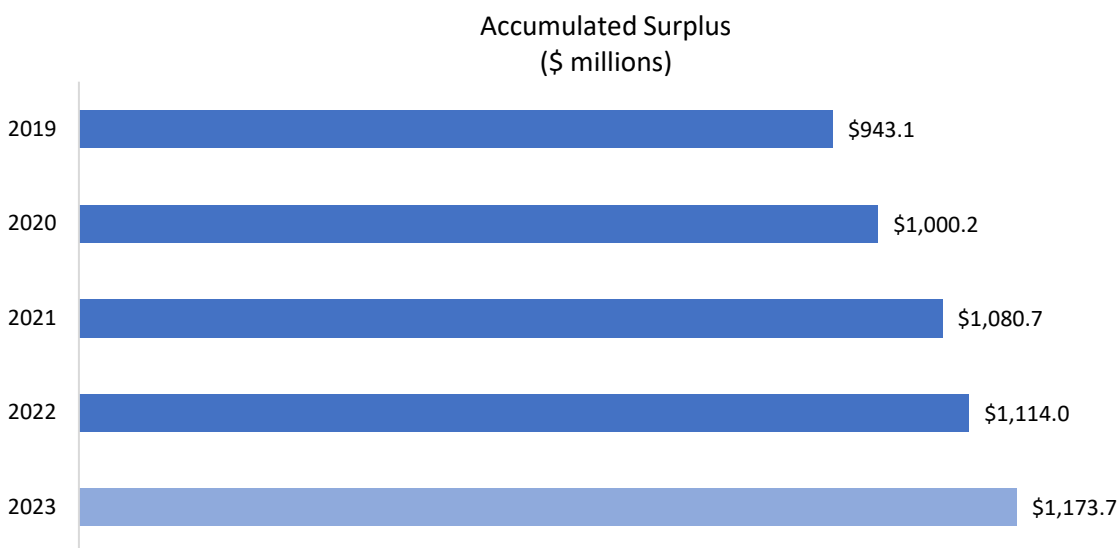
Prepaid Expenses represent payments made in the current year for things that will be consumed in future years.

The increase in Prepaid Expenses for 2023 is due to timing of payments for software agreements and vehicle licenses.



Accumulated Surplus

Accumulated Surplus totaled \$1,173.7 million in 2023 [2022: \$1,114.0 million], which is an increase of \$59.7 million compared to the prior year. The accumulated surplus represents the City's net economic resources to be used to carry out municipal activities.



Line Item (\$ millions)	2023 Actual	2022 Actual	\$ Change	% Change
Investment in Tangible Capital Assets	1,163.5	1,130.7	32.8	2.9%
Municipal Debenture Debt	(202.8)	(216.9)	14.1	(6.5%)
Investment in Thunder Bay Hydro Corporation	100.9	110.6	(9.7)	(8.8%)
General Fund	11.1	10.1	1.0	9.9%
Employee Future Benefits	(113.7)	(117.9)	4.3	(3.6%)
Reserves and Reserve Funds	214.7	197.4	17.3	8.8%
Total Accumulated Surplus	1,173.7	1,114.0	59.7	5.4%

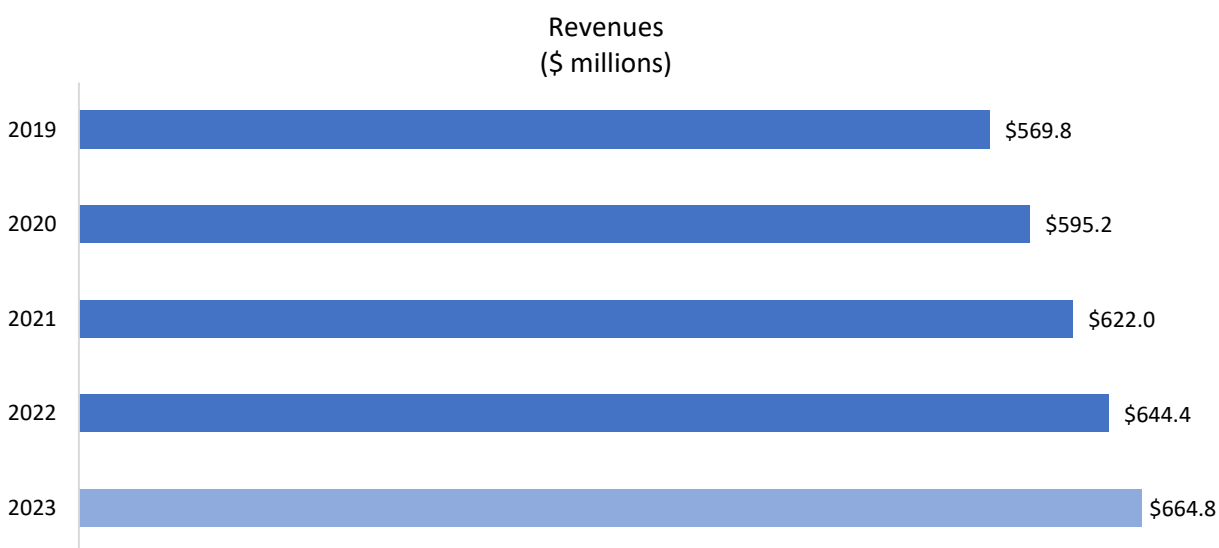
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Consolidated Statement of Operations and Accumulated Surplus

The Consolidated Statement of Operations and Accumulated Surplus summarizes the revenues and expenses for the 2023 fiscal year and indicates the accumulated surplus. During the year, revenues exceeded expenses resulting in a \$59.7 million surplus [2022: \$44.7 million]. Variance explanations are discussed below.

Revenues

Total Revenues were \$664.8 million in 2023 [2022: \$644.4 million], an increase of \$20.4 million compared to the prior year.

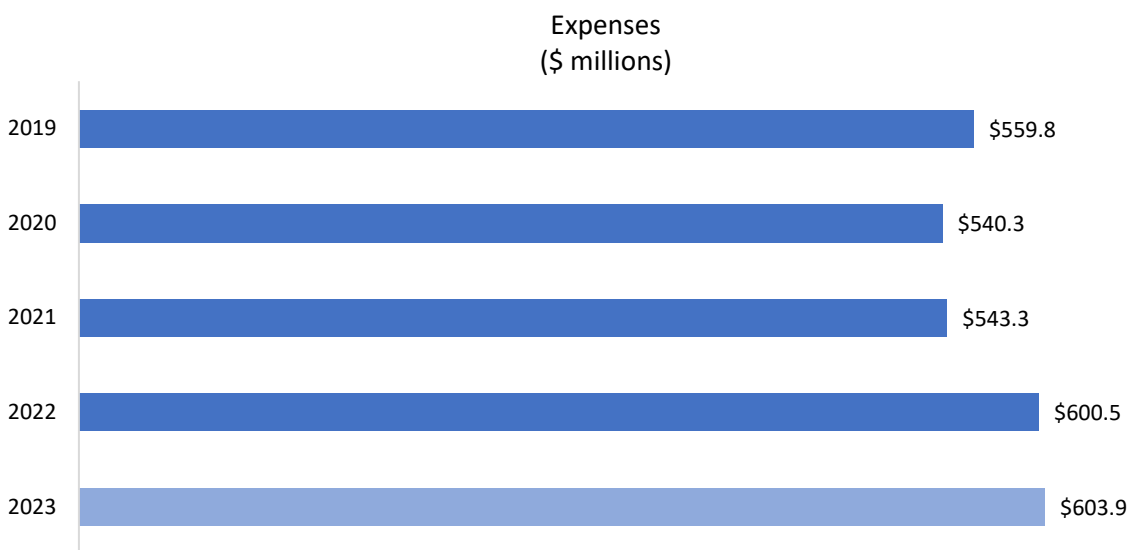


Line Item (\$ millions)	2023 Budget	2023 Actual	2022 Actual	\$ Variance Budget	% Variance Budget	\$ Change Prior Year	% Change Prior Year
Taxation	219.7	220.0	209.1	0.3	0.1%	10.9	5.2%
Fees and Service Charges	107.8	99.9	94.0	(7.9)	(7.3%)	5.9	6.3%
Government of Canada Grants	7.4	20.5	18.6	13.1	177.0%	1.9	10.2%
Province of Ontario Grants	72.7	78.5	78.3	5.8	8.0%	0.2	0.3%
Contributed Tangible Capital Assets	0.0	0.0	0.7	0.0	0.0%	(0.7)	(100.0%)
Investment Income	7.2	9.6	6.3	2.4	33.3%	3.3	52.4%
Other	28.0	28.8	30.5	0.8	2.9%	(1.7)	(5.6%)
Tbaytel Fees and Service Charges	212.4	207.5	206.9	(4.9)	(2.3%)	0.6	0.3%
Total Revenues	655.2	664.8	644.4	9.6	1.5%	20.4	3.2%

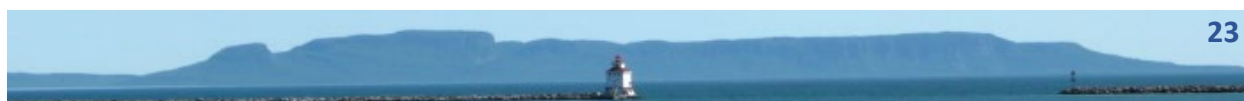
THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2023

Expenses

Total Expenses were \$603.9 million in 2023 [2022: \$600.5 million], an increase of \$3.4 million compared to the prior year.

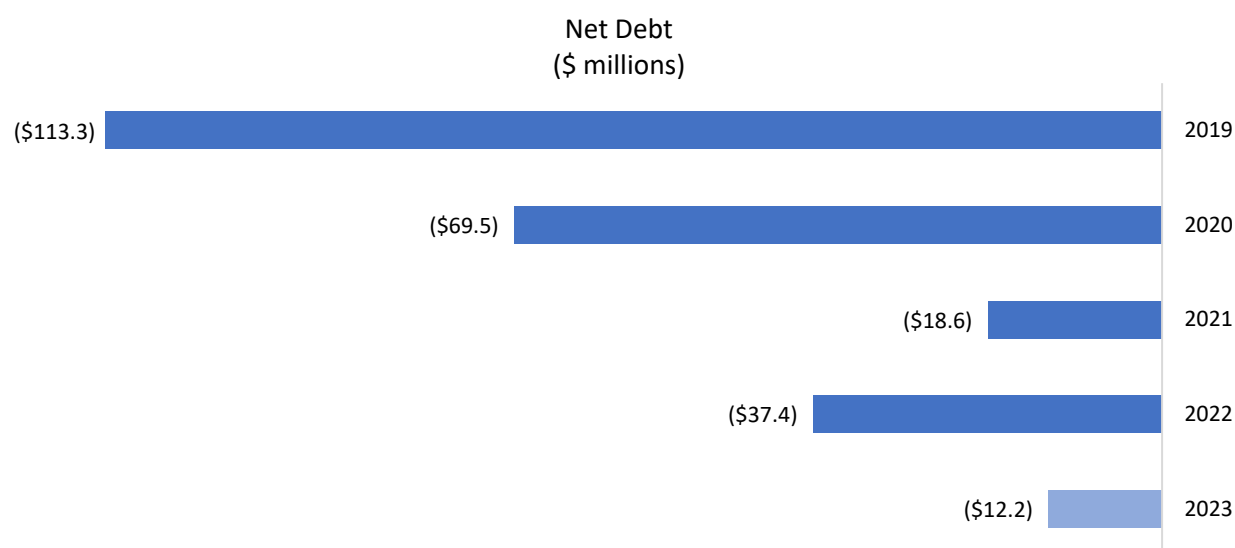


Line Item (\$ millions)	2023 Budget	2023 Actual	2022 Actual	\$ Variance Budget	% Variance Budget	\$ Change Prior Year	% Change Prior Year
General Government	27.2	30.1	25.6	2.9	10.7%	4.5	17.6%
Protection to Persons and Property	101.1	107.4	127.3	6.3	6.2%	(19.9)	(15.6%)
Transportation Services	69.2	68.2	68.6	(1.0)	(1.4%)	(0.4)	(0.6%)
Environmental Services	75.4	74.2	70.8	(1.2)	(1.6%)	3.4	4.8%
Health Services	48.7	47.1	41.3	(1.6)	(3.3%)	5.8	14.0%
Social and Family Services	46.4	45.1	44.0	(1.3)	(2.8%)	1.1	2.5%
Recreation and Cultural Services	56.2	58.5	54.3	2.3	4.1%	4.2	7.7%
Planning and Development	11.2	12.0	10.4	0.8	7.1%	1.6	15.4%
Tbaytel	164.2	161.3	158.2	(2.9)	(1.8%)	3.1	2.0%
Total Expenses	599.6	603.9	600.5	4.3	0.7%	3.4	0.6%



Consolidated Statement of Changes in Net Debt

The Consolidated Statement of Net Debt summarizes the change in net debt as a result of annual operations, tangible capital asset transactions, and changes in other non-financial assets. The City's net debt balance decreased by \$25.3 million to \$12.2 million [2022: \$37.5 million]. The 2022 net debt balance has been restated due to a PSAS adjustment for Asset Retirement Obligation.



Line Item (\$ millions)	2023	2022
	Actual	Actual
Annual Surplus	59.7	44.6
Acquisition of Tangible Capital Assets	(116.8)	(121.6)
Amortization of Tangible Capital Assets	81.8	77.9
Other	0.6	(5.0)
Change in Net Debt	25.3	(4.1)

Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows summarizes the impact that operating, capital, financing, and investing activities had on the City's cash position during the year. The City's primary uses of cash include acquiring tangible capital assets, repayment of municipal debenture debt and purchasing investments with cash provided from operating activities. The net impact was a decrease in cash of \$9.7 million to \$20.7 million [2022: \$30.4 million].

Trust Funds

The City also administers trust funds, which are not consolidated with the City's financial statements. Trust Funds Financial Statements for the year ending December 31, 2023 are presented separately.



The Corporation of the City of Thunder Bay

Consolidated Financial Statements

December 31, 2023



Statement of Administrative Responsibility

The management of The Corporation of the City of Thunder Bay have prepared the accompanying financial statements and are responsible for their accuracy and integrity. The financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board [PSAB] of the Chartered Professional Accountants Canada.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that the Corporation's assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The City Manager and City Treasurer review the financial statements before such statements are submitted to Council and published for the residents of Thunder Bay. The external auditors have access to, and meet with Administration and Council to discuss their audit and the results of their examination.

The 2023 Financial Statements have been reported on by The Corporation of the City of Thunder Bay's external auditors, BDO Canada LLP, the auditors appointed by Council. The auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



Keri Greaves, CPA
General Manager Corporate Services
& City Treasurer



John Collin
City Manager

October 21, 2024





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Toll free: 800-465-6868
www.bdo.ca

BDO Canada LLP
1095 Barton Street
Thunder Bay ON P7B 5N3

Independent Auditor's Report

To the Members of Council of The Corporation of the City of Thunder Bay

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Thunder Bay and its subsidiaries ("the City"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2023, and its consolidated results of operations, its consolidated change in net debt, 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 City 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.

Other Information

Management is responsible for the other information. The other information comprises:

- The information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Financial Report for the year ended December 31, 2023.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Financial Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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.



Independent Auditor's Report (cont'd)

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

Those charged with governance are responsible for overseeing the City'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 City'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 City'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 City to cease to continue as a going concern.



Independent Auditor's Report (cont'd)

- 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 City 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
October 28, 2024

THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31,	2023	2022
	\$	\$ (Restated) (note 2)
Financial assets		
Cash	20,672,967	30,417,529
Investments (note 5)	219,938,808	186,764,495
Taxes receivable	15,351,300	12,865,207
Accounts receivable	74,416,997	68,928,744
User charges receivable	14,692,681	14,078,424
Other assets	4,807,004	4,931,004
Long term receivable	2,228,547	1,578,578
Investment in Thunder Bay Hydro Corporation (note 6)	100,894,048	110,632,595
	453,002,352	430,196,576
Liabilities		
Accounts payable and accrued liabilities	80,243,196	74,216,721
Deferred revenue (note 8)	46,774,394	37,769,635
Employee future benefits (notes 10, 11)	113,647,375	117,953,054
Municipal debenture debt (note 12)	202,822,908	216,860,093
Asset Retirement Obligation (note 13)	21,766,327	20,917,981
	465,254,200	467,717,484
Net debt	(12,251,848)	(37,520,908)
Non-financial assets		
Tangible capital assets (Schedule 1), (note 14)	1,163,522,716	1,130,749,991
Supplies inventory	14,205,620	15,894,700
Prepaid expenses	8,207,812	4,872,485
	1,185,936,148	1,151,517,176
Accumulated Surplus	1,173,684,300	1,113,996,268

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

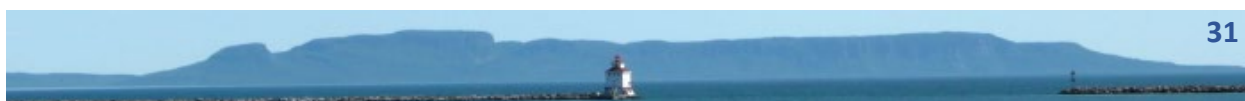


THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31,	Budget 2023 (Note 21)	2023	2022
			\$ (Restated) (note 2)
	\$	\$	
Revenues			
Taxation, net	219,716,363	219,556,558	209,106,773
Fees and service charges	107,782,900	99,885,158	93,999,311
Government of Canada grants (note 15)	7,400,452	20,501,027	18,582,514
Province of Ontario grants (note 15)	72,673,673	78,494,687	78,339,889
Contributed tangible capital assets	-	-	750,265
Investment income	7,217,733	9,636,676	6,264,015
Other	28,036,017	29,789,141	30,522,525
Tbaytel fees and service charges	212,366,000	207,524,000	206,867,000
	655,193,138	665,387,247	644,432,292
Expenses (note 20)			
General government	27,169,508	30,120,362	25,615,755
Protection to persons and property	101,136,644	107,413,723	127,297,429
Transportation services	69,159,723	68,179,714	68,601,524
Environmental services	75,353,630	74,193,229	70,780,578
Health services	48,731,116	47,106,885	41,320,655
Social and family services	46,446,382	45,093,002	43,987,964
Recreation and cultural services	56,213,903	58,477,230	54,346,688
Planning and development	11,252,506	12,048,411	10,421,235
Tbaytel	164,184,963	161,304,963	158,166,298
	599,648,375	603,937,519	600,538,126
Net revenues before the following	55,544,763	61,449,728	43,894,166
Loss on disposal of tangible capital assets	(94,000)	(294,144)	(364,467)
Write-down of tangible capital assets (note 14)	-	(1,729,005)	(178,845)
Earnings from Thunder Bay Hydro Corporation (note 6)	-	261,453	1,359,806
Annual surplus	55,450,763	59,688,032	44,710,660
Accumulated surplus, beginning of year, as previously reported	1,113,996,268	1,113,996,268	1,080,658,789
Adjustment for ARO (note 2)	-	-	(11,373,181)
Accumulated surplus, beginning of year	1,113,996,268	1,113,996,268	1,069,285,608
Accumulated surplus, end of year (Schedule 2)	1,169,447,031	1,173,684,300	1,113,996,268

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

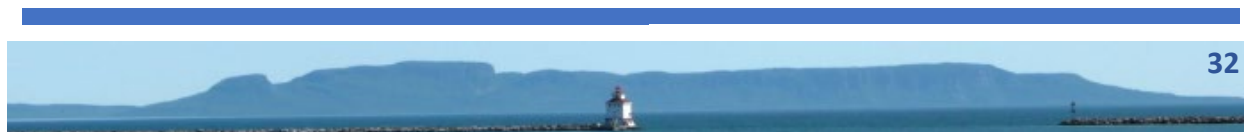


THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

As at December 31,	Budget 2023 (Note 21)	2023	2022
			\$ (Restated) (note 2)
	\$	\$	
Annual surplus	55,450,763	59,688,032	44,710,660
Acquisition of tangible capital assets	(118,083,496)	(116,752,665)	(121,613,061)
Amortization of tangible capital assets	78,415,598	81,798,754	77,890,092
Contributed tangible capital assets	-	-	(750,265)
Proceeds on disposal of tangible capital assets	-	158,037	490,366
Loss on disposal of tangible capital assets	94,000	294,144	364,467
Write-down of tangible capital assets	-	1,729,005	178,845
	(39,573,898)	(32,772,725)	(43,439,556)
Net increase in prepaid expenses	-	(3,335,327)	(298,513)
Net increase in inventories	-	1,689,080	(5,050,649)
	-	(1,646,247)	(5,349,162)
Change in net debt	15,876,865	25,269,060	(4,078,058)
Net debt, beginning of year as previously stated	(37,520,908)	(37,520,908)	(18,749,781)
PSAS Adjustment for ARO (note 2)	-	-	(14,693,069)
Restated net debt, beginning of the year	-	(37,520,908)	(33,442,850)
Net debt, end of year	(21,644,043)	(12,251,848)	(37,520,908)

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

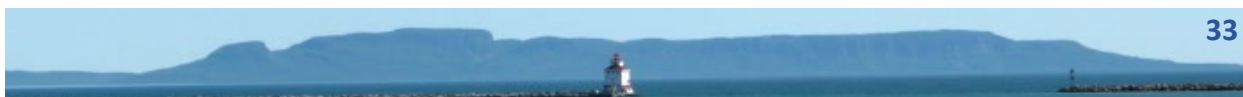


THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31,	2023	2022
	\$	\$ (Restated) (note 2)
Operating Activities		
Annual surplus	59,688,032	44,710,660
Non-cash changes to operations:		
Earnings from Thunder Bay Hydro Corporation (note 6)	(261,453)	(1,359,806)
Accretion of asset retirement obligation	768,368	737,925
Amortization of tangible capital assets	81,798,754	77,890,092
Contributed tangible capital assets	-	(750,265)
Loss on disposal of tangible capital assets	294,144	364,467
Capitalization of vested properties	79,978	-
Write-down of tangible capital assets	1,729,005	178,845
Employment future benefits	(4,305,679)	16,367,645
Changes in non-cash working capital balances:		
Taxes receivable	(2,486,093)	(1,358,655)
Accounts receivable	(5,488,253)	(7,408,600)
User charges receivable	(614,257)	(238,142)
Other assets	124,000	(1,003,000)
Accounts payable and accrued liabilities	6,026,475	4,297,282
Deferred revenue	9,004,759	1,655,886
Supplies inventory	1,689,080	(5,050,649)
Prepaid expenses	(3,335,327)	(298,513)
Cash provided by operating activities	144,711,533	128,735,172
Capital Activities		
Acquisition of tangible capital assets	(116,752,665)	(121,613,061)
Proceeds on disposal of tangible capital assets	158,037	490,366
Cash used in capital activities	(116,594,628)	(121,122,695)
Financing Activities		
Decrease in Tbaytel other payable	-	-
Proceeds from municipal debenture debt	13,618,972	38,565,252
Repayment of municipal debenture debt	(27,656,157)	(25,493,611)
Repayment of TBay Hydro note payable	10,000,000	-
Cash provided by (used for) financing activities	(4,037,185)	13,071,641
Investing Activities		
Net increase in investments	(33,174,313)	(26,287,690)
Decrease in long term receivable	(649,969)	196,493
Cash used in investing activities	(33,824,282)	(26,091,197)
Decrease in cash	(9,744,562)	(5,407,079)
Cash, beginning of the year	30,417,529	35,824,608
Cash, end of year	20,672,967	30,417,529

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



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

GENERAL

The Corporation of the City of Thunder Bay (the “City”) 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 and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as established by the Public Sector Accounting Board [PSAB] of the Chartered Professional Accountants Canada [CPAC]. Significant accounting policies adopted by the City are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus 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 financial statements include:

Thunder Bay Public Library Board
Parking Authority
Victoria Avenue Business Improvement Area
Waterfront District Business Improvement Area
Victoriaville Centre Board of Management
Tbaytel (A Municipal Service Board established by the Corporation of the City of Thunder Bay)
Thunder Bay Community Economic Development Commission Inc.
Thunder Bay Police Services Board

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

The financial activities of certain entities associated with the City are not consolidated. The City's contributions to these entities are recorded in the Consolidated Statement of Operations and Accumulated Surplus. The entities that are not consolidated are as follows:

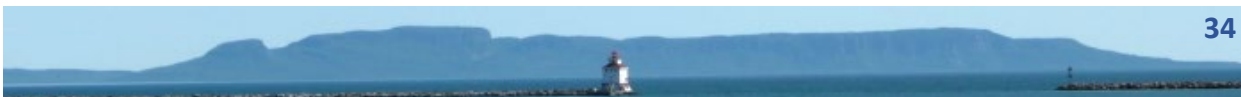
Lakehead Region Conservation Authority
Thunder Bay District Health Unit
The District of Thunder Bay Social Services Administration Board

Government Business Enterprise

Thunder Bay Hydro Corporation is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises [note 6]. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City's, and inter-organizational transactions and balances are not eliminated.

Accounting for School Board Transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards, are not reflected in these consolidated financial statements [note 3].





THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Trust Funds

Trust funds and their related operations administered by the City are not included in the consolidated financial statements but are reported separately in the Trust Fund Financial Statements [note 4].

Basis of Accounting

The City follows the accrual basis of accounting. Under the accrual method of accounting, revenues are recognized in the period in which the transactions or events that give rise to the revenues occurred. Expenses are recognized in the period in which the goods or services are acquired, whether or not payment has been made or invoices received.

Employment Benefits

The City has adopted the following policies with respect to employment benefit plans:

The costs of vacation entitlements are charged as expenses when earned;

The costs of post-employment benefits, sick leave entitlements and Workplace Safety and Insurance Act ("WSIB") entitlements are recognized when the event that obligates the City occurs; costs include projected future income payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis;

The costs of post-employment benefits, sick leave entitlements and WSIB entitlements are actuarially determined using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation, expected health care costs and plan investment performance;

Accrued obligations and related costs of funded benefits are net of plan assets;

The City amortizes the amount of any actuarial gains or losses over the expected average remaining service lifetime of the active members of the group and prior service costs are recognized in the period of the plan changes.

The contributions to a defined benefit pension plan are expensed when contributions are due.

Government Transfers

Government transfers which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made unless the transfer contains stipulations that create a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations and accumulated surplus as the stipulation liabilities are settled.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

The City accounts for its investments at cost plus accrued earnings. The carrying value of an investment is written down to its net recoverable amount if a decline in value is judged to be other than temporary.

Investment Income

Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue.

Financial Instruments

Financial instruments are recorded at either fair value, or cost, or amortized cost at initial recognition.

The City's financial instruments and measurement basis include:

Cash includes cash on hand and bank deposits and is reported at fair value.

Investments consist of pooled funds and a high interest savings account and are reported at cost.

Taxes receivable, accounts receivable, user charges receivable and long term receivable are measured at amortized cost less any allowance. Valuation allowances are made to reflect receivables at the lower of cost and net recoverable value when collectability and risk of loss exists. Changes in valuation allowances are recognized in the Statement of Operations and Accumulated Surplus. Interest is accrued to the extent it is deemed collectible.

Accounts payable and accrued liabilities and municipal debenture debt are measured at cost or amortized cost.

All financial instruments are tested for impairment annually, or more frequently when changes in circumstances indicate the financial instrument could be impaired. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and Accumulated Surplus.

Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

As the fair value of cash approximates carrying value and all other financial instruments have been measured at cost or amortized, there have been no re-measurement gains or losses and the statement of remeasurement has been excluded.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-financial Assets

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

[i] Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

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

General capital

Land improvements	5 to 50 years
Buildings	10 to 60 years
Machinery and equipment	2 to 30 years
Vehicles	3 to 20 years
Network assets	6 to 45 years
Library collection	10 years

Infrastructure

Land improvements	5 to 50 years
Buildings	30 to 60 years
Linear assets	10 to 80 years
Machinery and equipment	2 to 30 years

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

Tangible capital assets are written down when conditions indicate they no longer contribute to the City's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their book value. The net write-downs are accounted for as expenses in the statement of operations.

[ii] Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-financial Assets (continued)

[iii] Leases

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

[iv] Inventories

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

Taxation Revenue

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. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Annually, the City bills and collects property tax revenues for municipal purposes as well as provincial education taxes on behalf of the Province of Ontario (the "Province") for education purposes. The authority to levy and collect property taxes is established under the *Municipal Act*, the *Assessment Act*, the *Education Act*, and other legislation.

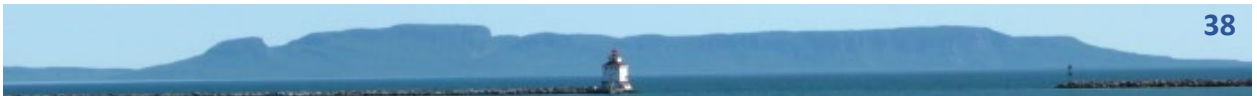
The amount of the total annual property tax levy is determined each year through Council's approval of the annual operating budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council-approved policies, in order to raise the revenues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

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

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

Property taxes are billed by the City twice annually. The interim billing, issued in January, is based on 50% of the total property's taxes in the previous year, and provides for the cash requirements of the City for the initial part of the year prior to Council's approval of the final operating budget and the approved property tax levy for the year. Final bills are issued in June, following Council's approval of the capital and operating budget for the year, the total property tax levy, and the property tax rates needed to fund the City's operations.

Taxation revenues are recorded at the time tax billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The City may



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation Revenue (continued)

receive supplementary assessment rolls over the course of the year from MPAC, identifying new or omitted assessments. Property taxes for these supplementary and/or omitted amounts are then billed according to the approved tax rate for the property class.

Taxation revenues in any year may also be reduced by reduction in assessment values resulting from assessment and/or property tax appeals. Each year, an amount is identified within the annual operating budget to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals or other deficiencies in tax revenues (e.g. uncollectible amounts, write-offs, etc.).

User Charges

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

Other Revenue

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

Deferred Revenue

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

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contaminated Sites Liability

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation operations, maintenance and monitoring.

Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for uncollectible accounts, employee benefit liabilities, property tax assessment appeals, landfill closure and post-closure liabilities, contaminated sites liability, amortization of tangible capital assets, contingencies other accrued liability and amounts, timing and discount rate of asset retirement obligations. These estimates are based on management's best information and judgment. Actual amounts, which are accounted for as they become known, may differ significantly from these estimates.

2. CHANGE IN ACCOUNTING POLICY

PS 3280 Asset Retirement obligations (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use and leased tangible capital assets. The new accounting standard has resulted in the withdrawal of section 3270, Solid Waste Landfill Closure and Post Closure Liability. This standard was adopted on January 1, 2023, on a modified retroactive basis with prior period restatement.

In the past, the City has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

2. CHANGE IN ACCOUNTING POLICY (continued)

As a result of applying this accounting standard, an asset retirement obligation of \$21,766,327 (2022 - \$20,917,981) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the City's future asbestos remediation, decommissioning of towers, landfill closure and post-closure care requirements, retirement of underground fuel storage tanks and restoration of leased lands. The adoption of PS 3280 ARO was applied to the comparative period as follows:

December 31, 2022	As previously reported \$	Adjustments \$	As restated \$
Statement of Financial Position			
Landfill closure and post-closure liability	5,556,258	(5,556,258)	-
Tangible Capital Assets including ARO	1,127,611,158	3,138,833	1,130,749,991
Asset retirement obligation liability	-	20,917,981	20,917,981
Accumulated surplus	1,126,219,158	(12,222,890)	1,113,996,268
Statement of Operations and Accumulated surplus			
Investment Income	6,417,015	(153,000)	6,264,015
General Government	25,594,579	21,176	25,615,755
Protection to persons	127,269,619	27,810	127,297,429
Transportation services	685,573,690	27,834	685,601,524
Environmental services	70,558,523	222,055	70,780,578
Health services	41,319,568	1,087	41,320,655
Social and family services	43,983,469	4,495	43,987,964
Recreation and cultural services	53,968,032	378,656	54,346,688
Planning and development	10,390,639	30,596	10,421,235
Tbaytel	158,183,298	136,000	158,319,298
Annual surplus	45,560,369	(849,709)	44,710,660
Accumulated surplus, beginning of year	1,080,658,789	(11,373,181)	1,069,285,608
Accumulated surplus, end of year	1,126,219,158	(12,222,890)	1,113,996,268
Statement of Changes in Net (Debt)/Assets			
Annual surplus	45,560,369	(849,709)	44,710,660
Amortization of tangible capital assets and ARO	77,709,037	181,055	77,890,092
Net debt, beginning of year	(18,749,781)	(14,693,069)	(33,442,850)
Net debt, end of year	(22,159,185)	(15,361,723)	(37,520,908)

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

2. CHANGE IN ACCOUNTING POLICY (continued)

On January 1, 2023, the City adopted PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation and PS 3450 Financial Instruments. The new accounting standards were adopted prospectively from the date of adoption.

These standards establish requirements for recognition, measurement, presentation and disclosure of foreign current transactions and financial instruments. Under PS 3450, all financial instruments, including derivatives, are measured at cost or fair value based on the characteristics of the instruments and the City's accounting policy choices (Significant Accounting Policies). These standards have no significant impact on the presentation of the financial statements.

3. OPERATIONS OF SCHOOL BOARDS

Taxation, other revenues and requisitions for the school boards amounting to **\$29,907,266** [2022 - \$29,657,837] are not reflected in these consolidated financial statements.

4. TRUST FUNDS

Trust funds administered by the City amounting to **\$15,036,454** [2022 - \$14,422,015] have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

Trust fund balances at December 31 are as follows:

	2023	2022
	\$	\$
Older Adults Centre	188,726	194,162
Cemetery	1,205,993	1,192,806
Cemetery Marker Maintenance	542,566	502,873
Dawson Court Home for Aged	2,020	2,020
Grandview Lodge Home for Aged	4,945	4,945
Pioneer Ridge Home for Aged	18,361	21,528
Lake Superior Regiment Memorial Hillcrest Park	36,923	35,098
Employee Disability	12,896,359	12,140,605
Civic Employees Pension Trust Committee	1,998	1,998
Community Auditorium Repairs	-	857
Art in Public Places	10,286	9,778
Provincial Land Tax	128,277	315,345
	15,036,454	14,422,015

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

5. INVESTMENTS

Investments are recorded at cost. The City's investments are comprised of the ONE Canadian, Corporate and Global Bond Funds, the ONE Canadian Equity Fund and ONE Global Equity Fund, and a high interest savings account.

	2023		2022	
	Cost	Market Value	Cost	Market Value
Canadian Bond Fund	18,450,411	18,892,847	8,081,250	7,994,875
Corporate Bond Fund	8,284,245	8,376,922	8,095,779	7,833,354
Global Bond Fund	41,708,945	39,509,539	39,209,123	36,014,171
Canadian Equity Fund	15,195,343	16,017,549	15,836,674	15,418,921
Global Equity Fund	33,646,727	37,021,575	34,121,208	32,536,598
Other	102,653,137	102,653,124	81,420,461	81,420,448
	219,938,808	222,471,556	186,764,495	181,218,367



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

6. INVESTMENT IN THUNDER BAY HYDRO CORPORATION

Thunder Bay Hydro Corporation

The Thunder Bay Hydro Corporation is wholly owned by the City and provides regulated and unregulated electric utility services and complementary commercial services. The following table provides condensed supplementary financial information for the Thunder Bay Hydro Corporation, and its majority-owned subsidiary SYNERGY NORTH Corporation and its wholly-owned subsidiaries Thunder Bay Hydro Utility Services Inc. and Thunder Bay Hydro Renewable Power Incorporated, prepared in accordance with Canadian generally accepted accounting principles as per Part I of the Chartered Professional Accountants Canada Handbook.

	2023	2022
	\$	\$
Financial position		
Current assets	45,713,241	51,760,745
Capital assets	177,900,517	166,804,059
Long-term assets	17,337,291	12,524,669
Other assets	5,175,183	4,991,476
Total assets	246,126,232	236,080,949
Current liabilities	25,125,637	29,507,250
Long-term liabilities	101,993,801	79,855,251
Other liabilities	5,533,763	3,524,939
Total liabilities	132,653,201	112,887,440
Net assets	113,473,031	123,193,509
Proportionate share of other investor	(12,578,983)	(12,560,914)
City of Thunder Bay proportionate share	100,894,048	110,632,595
Results of operations		
Revenues	146,427,611	152,178,784
Operating expenses	(145,706,455)	(150,015,532)
Comprehensive income for the year	721,156	2,163,252
Less: Proportionate share of other investor	(134,633)	(144,381)
Less: Dividend to City of Thunder Bay	(325,070)	(659,065)
City of Thunder Bay proportionate share of income	261,453	1,359,806

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

6. INVESTMENT IN THUNDER BAY HYDRO CORPORATION (continued)

Thunder Bay Hydro Corporation (continued)

The City's investment in Thunder Bay Hydro Corporation is comprised of the following:

	2023	2022
	\$	\$
1,061 common shares	41,931,625	41,931,625
Promissory note	16,490,500	26,490,500
Accumulated other comprehensive income	716,072	804,824
Accumulated earnings from date of transfer	41,755,851	41,405,646
	100,894,048	110,632,595

The promissory note is receivable from Thunder Bay Hydro Corporation and is non-interest bearing, unsecured and due on demand, subject to a Subordination Agreement providing for no acceleration rights. Thunder Bay Hydro Corporation was directed to make a principal payment of \$10,000,000 on the promissory note in 2023.

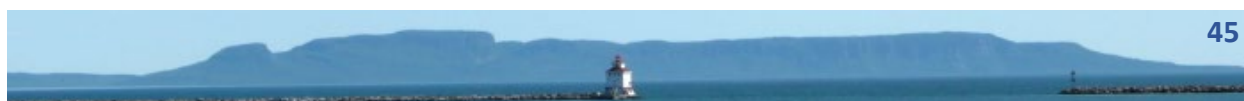
Thunder Bay Hydro Corporation's long-term liabilities include long-term debt. Expected principal repayments required over the next five years and thereafter assuming refinancing on maturity are as follows:

	\$
2024	3,320,813
2025	2,963,528
2026	2,194,409
2027	2,147,709
2028	1,686,845
2029 and thereafter	49,628,579
Total	61,941,883

Related Party Transaction

Thunder Bay Hydro Corporation provides certain services to the City in the normal course of business at commercial rates.

Thunder Bay Hydro Corporation billed the City for electricity in the amount of **\$7,060,280** [2022-\$6,945,909]. At December 31, 2023, included in accounts payable and accrued liabilities is **\$1,203,472** [2022 - \$1,788,984] payable to Thunder Bay Hydro Corporation related to this expense. Also recorded was pole rental from Thunder Bay Hydro Corporation in the amount of **\$688,104** [2022 - \$661,083]. The City also contributed towards capital construction by Thunder Bay Hydro Corporation during the year in the amount of **\$365,562** [2022 - \$1,711,207]. The City received dividends of **\$325,070** in 2023 [2022 - \$659,065].





THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

7. BANK INDEBTEDNESS

The City has two unsecured demand revolving credit facilities, the first in the amount of **\$10,000,000** [2022 - \$10,000,000] for working capital and the second in the amount of **\$15,000,000** [2022 - \$15,000,000] for interim financing of capital projects, both of which **\$nil** [2022 - \$nil] was used at year-end and bear interest at the bank's prime rate less 0.88%.

The City has a letter of credit issued by the Toronto-Dominion Bank for \$60,000, which expires on June 20, 2025.

Tbaytel's available revolving credit facilities include the following, the total of which shall not exceed \$12,000 CDN at any time:

- 1) Revolving demand facility in USD funds at a floating rate of U.S. bank prime base or 9.0% at December 31, 2023. An amount of which **\$nil** US [2022-\$nil US] is outstanding at December 31, 2023.
- 2) Revolving demand facility in CDN funds at a floating rate of bank prime less 0.5% or 6.7% at December 31, 2023. An amount of **\$nil** CDN [2022-\$nil] is outstanding at December 31, 2023.
- 3) USD letters of credit or CDN or USD letters of guarantee. An amount of **\$345,000** CDN [2022-\$6,983,000] is outstanding at December 31, 2023.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

8. DEFERRED REVENUE

Deferred revenue is as follows:

	2023	2022
	\$	\$
Obligatory reserve funds		
Parkland Dedication	728,114	655,718
Building Permits	2,921,501	-
Canada Community Building Fund	14,430,610	14,624,201
Dedicated Gas Tax	5,652,922	5,042,231
Ontario Community Infrastructure Fund	6,403,815	1,268,510
Ontario Municipal Commuter Cycling	113,725	109,352
MTO Transit Capital	165,795	159,418
Other	16,357,912	15,910,205
	46,774,394	37,769,635

The continuity of deferred revenue is as follows:

	2023	2022
	\$	\$
Balance, beginning of year	37,769,635	36,113,749
Add:		
Developers and property owners contributions	45,262	136,024
Canada Community Building Fund	7,142,297	6,844,701
Dedicated Gas Tax	1,531,267	1,535,787
Ontario Community Infrastructure Fund	10,000,000	10,000,000
Building Permits	2,864,124	-
Net contributions from current operations	447,708	563,243
Interest earned	905,980	685,805
	22,936,638	19,765,560
Less:		
Canada Community Building Fund contributions to capital	7,905,590	7,956,378
Dedicated Gas Tax contributions to capital	976,557	715,540
Ontario Community Infrastructure Fund contributions to capital	5,015,132	9,437,756
Building Permits used (operating)	34,600	-
	13,931,879	18,109,674
Balance, end of year	46,774,394	37,769,635



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

9. FINANCIAL INSTRUMENTS

The City's financial instruments consist of cash, investments, taxes receivable, accounts receivable, user charges receivable, long term receivable, accounts payable and accrued liabilities, and municipal debenture debt. The fair value of investments is disclosed in Investments . At December 31, 2023, other than investments, there are no significant differences between carrying values and estimated market values.

Credit Risk

Credit risk is the risk of financial loss to the City if a third party fails to meet its contractual obligations and is primarily attributable to the City's taxes receivable, accounts receivable, user charges receivable and long term receivable. This risk is minimized due to a large and diverse customer base.

The City maintains an allowance for doubtful accounts for potential credit losses based on management's estimates and assumptions on economic conditions, customer analysis and historical payment trends. Subsequent recoveries of receivables previously provisioned are recorded in the Statement of Operations and Accumulated Surplus. The City has determined that there are no significant concentrations of credit risk.

The City's exposure to credit risk at the financial statement date is the carrying value of its cash and receivables as presented on the statement of financial position.

There have not been any changes from the prior year in the City's exposure to credit risk or the policies, procedures or methods it uses to manage and measure risk.

Liquidity Risk

Liquidity risk is the risk that the City will not be able to meet its financial obligations as they become due. The City is exposed to liquidity risk through its accounts payable and accrued liabilities and municipal debenture debt. The City's budgeting process helps determine the funds required for normal operating requirements on an on-going basis. The City ensures there are sufficient funds to meet its short term requirements, taking into account its anticipated cash flows from operations, the holding of cash and investments, and ability to access credit facilities. Accounts payable are primarily due and settled within 90 days of receipt of an invoice. The contractual maturities of municipal debenture debt are disclosed in note 12.

There have not been any changes from the prior year in the City's exposure to liquidity risk or the policies, procedures or methods it uses to manage and measure risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

There have not been any changes from the prior year in the City's exposure to market risk or the policies, procedures or methods it uses to manage and measure risk.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

9. FINANCIAL INSTRUMENTS (continued)

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The City has limited exposure to fluctuating values of foreign currency. The City may purchase goods and services, payable in US dollars, and purchases US currency to meet the related payable commitments when required. The impact of these transactions is not material to the financial statements.

Monetary assets and liabilities denominated in foreign currency are translated at the prevailing rate of exchange at year end. Revenue and expenses are translated at the exchange rate prevailing on the transaction date. Exchange gains and losses are included in the Consolidated Statement of Operations and Accumulated Surplus.

There have not been any changes from the prior year in the City's exposure to currency risk or the policies, procedures or methods it uses to manage and measure risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The City is subject to interest rate risk on municipal debenture debt (the possibility that market rates for debt with similar terms will decrease below the fixed rate) but minimizes the risk by issuing long term fixed rate debenture debt.

The City has revolving credit facilities with variable interest rates that allow for short term borrowings for working capital purposes and interim financing of capital projects. This risk is minimized by continuously monitoring cash flow balances to minimize the interest expense. Interest earned on cash balances also mitigates the cost of borrowing up to the amount of cash on hand.

The City is also exposed to interest rate risk on interest rates received on investments. The impact of fluctuations varies as the amount of investments change. The City holds a portfolio managed by ONE Joint Investment Board which operates under the regulations of the Municipal Act and holds a high interest savings account with ONE Investment.

There have not been any changes from the prior year in the City's exposure to interest rate risk or the policies, procedures or methods it uses to manage and measure risk.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

9. FINANCIAL INSTRUMENTS (continued)

Other Price Risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The City is exposed to price risk through its investments which include equity pooled funds. To mitigate this risk, the investment portfolio is managed by ONE Joint Investment Board and investments are made in accordance with an approved Investment Policy Statement.

There have not been any changes from the prior year in the City's exposure to other price risk or the policies, procedures or methods it uses to manage and measure risk.

10. PENSION AGREEMENTS

The City makes contributions to the Ontario Municipal Employees Retirement System Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employee contributions are matched by the City.

During the year ended December 31, 2023, the City contributed **\$19,397,932** [2022 - \$18,257,349] for current service, which is included as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

Because OMERS is a multi-employer plan, the City does not recognize any share of pension plan deficit of **\$4.2** billion [2022- a deficit of \$6.7 billion] based on fair market value of the plan's assets, as this is a joint responsibility of all Ontario municipalities and their employees.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

11. EMPLOYMENT FUTURE BENEFITS

The City provides certain employee benefits which will require funding in future periods.

	2023	2022
	\$	\$
Sick leave benefits	8,270,800	8,122,700
Vacation pay	4,985,075	4,878,154
Post-employment benefits	45,629,900	45,134,600
WSIB	54,761,600	59,817,600
	113,647,375	117,953,054

[a] Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may be entitled to a cash payment when they retire or leave the City's employment or pay for sick leave in excess of the current year entitlement. The City recognizes these costs in the period in which the employees rendered the services. The accrued benefit liability at December 31, 2023 of **\$8,270,800** [2022-\$8,122,700] was determined by an actuarial valuation prepared for the year ended December 31, 2022, and updated for 2023. An amount of **\$2,174,813** [2022- \$2,091,166] has been set aside in a sick pay liability reserve fund to offset this liability.

The main actuarial assumptions employed for the valuation of vested and non-vested sick leave benefits are as follows:

Interest (discount) rate

The obligation as at December 31, 2023 of the present value of future liabilities and the expense for the year then ended was determined using an annual discount rate of 4.60% [2022 - 4.60%].

Salary levels

Future general salary and wage levels were assumed to increase at 3.00% per annum, reflecting the expected Consumer Price Index adjusted for productivity, merit and promotion.

[b] Vacation entitlements earned by the employees are converted to a cash payment when they retire or leave the City's employment.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

11. EMPLOYMENT FUTURE BENEFITS (continued)

[c] The City pays certain post-retirement benefits on behalf of its retired employees and recognizes these post retirement costs in the period in which the employees rendered the services. The accrued benefit obligation at December 31, 2023 of **\$37,780,920** [2022-\$36,542,882] was determined by an actuarial valuation prepared for the year ended December 31, 2022. An amount of **\$5,708,508** [2022-\$5,488,950] has been set aside in a post-retirement benefits reserve fund to offset this liability.

Information about the City's post-retirement non-pension benefit plan is as follows:

	2023	2022
	\$	\$
Accrued benefit liability recognized in the financial statements	45,629,900	45,134,600
Unrecognized actuarial gain	(7,848,980)	(8,591,718)
Accrued benefit liability	37,780,920	36,542,882
Expense for the year	2,805,700	9,065,800
Benefits paid for the year	(2,310,400)	(2,151,000)

The main actuarial assumptions employed for the valuation are as follows:

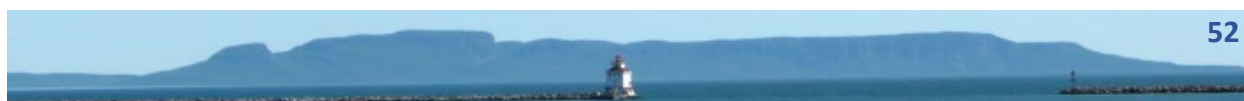
Interest (discount) rate

The obligation as at December 31, 2023 of the present value of future liabilities and the expense for the year then ended was determined using an annual discount rate of 4.10% to 4.60% [2022 - 4.10% to 4.60%].

Medical and dental costs

Medical costs were assumed to increase by 4.50% to 5.00% in 2023, with further annual increases gradually declining to 4.00% to 4.50% in 2039 and each year thereafter. Dental costs were assumed to increase at 4.50% to 5.10% in 2023 declining to 4.00% to 4.50% in 2039. Drug costs were assumed to increase 7.83% in 2023 reducing by 0.175% each year to ultimate rate of 4.50% in 2042.

[d] The City elected to be under Schedule 2 of the Workplace Safety and Insurance Act and hence, effectively self-insures its workers' compensation claims. The estimated future benefit costs (including administration costs) at December 31, 2023 of **\$54,761,600** [2022 - \$59,817,600] were determined by an actuarial valuation prepared for the year ended December 31, 2023. An amount of **\$2,286,228** [2022 - \$2,933,873] has been set aside in a WSIB reserve fund to offset this liability.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

12. MUNICIPAL DEBENTURE DEBT

[a] The balance of municipal debt reported on the Consolidated Statement of Financial Position totaling **\$202,822,908** [2022 - \$216,860,093] is comprised of debenture debt and construction financing outstanding at year-end incurred by the City.

The balance of municipal debenture debt is **\$194,109,046** [2022 - \$208,713,719], bearing interest rates ranging from 1.49% to 5.83% and maturing from 2023 to 2042.

The balance of construction financing is **\$8,713,862** [2022 - \$8,146,374] and is comprised of short-term advancements on a debenture based on incurred costs. All construction financing will be converted to a long-term debenture when project costs are complete.

The breakdown of the balance owing is as follows:

	2023	2022
	\$	\$
Debenture debt		
Tax supported	49,798,465	55,511,733
Rate supported	106,135,581	111,776,986
Tbaytel	38,175,000	41,425,000
Total debenture debt	194,109,046	208,713,719
Construction financing		
Tax supported	2,411,005	3,119,662
Rate supported	6,302,857	5,026,712
Total construction financing	8,713,862	8,146,374
Total debt	202,822,908	216,860,093

[b] Principal repayments of municipal debenture debt are due as follows:

	\$
2024	24,193,099
2025	21,723,445
2026	17,793,448
2027	15,606,735
2028	13,932,257
2028 and thereafter	100,860,062
Total	194,109,046

[c] The long-term liabilities in [a] issued in the name of the City have been approved by by-law. The 2024 annual principal and interest payments required to service these liabilities are within the 2024 annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing of \$131,689,553. The City has available \$100,442,401, based on this annual debt repayment limit.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

12. MUNICIPAL DEBENTURE DEBT (continued)

[d] Total payments for the year for municipal debenture debt are as follows:

	2023	2022
	\$	\$
Principal payments	27,656,157	25,493,611
Interest payments	6,548,783	5,753,541
Total	34,204,940	31,247,152

13. ASSET RETIREMENT OBLIGATIONS

The City's financial statements include asset retirement obligations for future asbestos remediation, decommissioning of towers, landfill closure and post-closure care requirements, retirement of underground fuel storage tanks and restoration of leased lands. The related asset retirement costs are amortized on a straight-line basis. The liability has been estimated using a net present value technique with a discount rate of 4.6% (2022 – 4.6%). The estimated total undiscounted future expenditures are \$40,853,047, which are to be incurred over the next 52 years. The liability is expected to be settled by 2075.

	2023	2022
	\$	\$
		(Restated)
		(note 2)
Asset retirement obligation, beginning of year	20,917,981	-
Opening adjustments for PSAB adjustment	-	20,180,056
Liabilities incurred during the year	79,978	-
Increase due to accretion expense	768,368	737,925
Asset retirement obligation, end of year	21,766,327	20,917,981

14. TANGIBLE CAPITAL ASSETS

Schedule 1 provides information on the tangible capital assets of the City of Thunder Bay by major asset class, including cost, accumulated amortization and the net book value of the assets.

During the year no interest was capitalized [2022 - \$nil], there were write-downs of tangible capital assets of \$1,729,005 [2022 - \$178,845] and contributed tangible capital assets of \$nil [2022 - \$750,265].

Certain assets have been recorded at a nominal value due to the difficulty in determining an appropriate value. These assets include road allowances relating to the roads network, certain land segments acquired through land swaps and some parkland segments.

Works of art, artifacts, natural resources, cultural and historic assets are not recorded as assets in the financial statements as a reasonable estimate of the future economic benefits associated with such property cannot be made.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

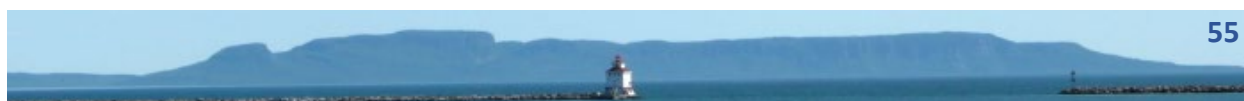
15. GOVERNMENT TRANSFERS

	2023	2022
	\$	\$
Revenues		
Government of Canada grants	20,501,027	18,582,514
Province of Ontario grants	78,494,687	78,339,889
Total Revenues	98,995,714	96,922,403
Expenses		
External transfers to others	24,946,272	25,796,917
Total Expenses	24,946,272	25,796,917

16. CONTINGENCIES

[a] There were numerous claims and litigation in dispute at December 31, 2023 for which the amount of settlement, if any, is indeterminable at this time. The settlements, if any, will be expensed in the Consolidated Statement of Operations in the year in which the amount is determinable. No provision has been made in these consolidated financial statements in respect of the above claims and litigation.

[b] The Ontario Mining Act (the "Act") sets out the regulatory requirements for the closure plan and maintenance of mine sites. Under the Act, the City is required to provide for closure and post-closure maintenance of the Shuniah Mine site, located on City property. The solution and cost for the post-closure maintenance, if any, is uncertain and indeterminable at the date of issue of the consolidated financial statements and no provision has been made.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

17. COMMITMENTS

[a] The City has various operating leases pertaining to certain premises and equipment and service agreements. The future minimum lease payments over the next five years are as follows:

	\$
2024	6,524,514
2025	5,518,302
2026	4,011,435
2027	1,777,852
2028	873,000

[b] Tbaytel has provided a letter of guarantee from the Royal Bank to WSIB in the amount of **\$345,000** [2022-\$1,379,000].

[c] Tbaytel has a Strategic Business Relationship Agreement with Rogers which provides TBaytel access to Rogers' Spectrum, Core network and other services. Payments over the next year are \$8,226,000.

[d] The Thunder Bay Community Economic Development Commission Inc. has committed a total of \$1,712,537 to various organizations. Scheduled payments are made at the time these organizations meet previously agreed upon criteria.

18. PUBLIC LIABILITY INSURANCE

The City is self-insured for public liability claims up to \$1,000,000 for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

Self-insured claims settled and accrued during the year amounting to **\$1,292,553** [2022 - \$2,213,194] are reported as an expense in the Consolidated Statement of Operations and Accumulated Surplus.

19. NON-CONSOLIDATED ENTITIES

Thunder Bay District Health Unit

The Thunder Bay District Health Unit is established under the Health Protection and Promotion Act, and provides programs and services in accordance with the legislative mandate for Boards of Health in Ontario and delivers a wide range of services to citizens of the District of Thunder Bay.

The following table provides condensed supplementary financial information for the Thunder Bay District Health Unit prepared in accordance with Canadian public sector accounting standards.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

19. NON-CONSOLIDATED ENTITIES (continued)

Thunder Bay District Health Unit (continued)

	2023	2022
	\$	\$
Financial position		
Financial assets	8,459,810	9,220,511
Financial liabilities	(7,994,052)	(8,533,561)
Net financial assets	465,758	686,950
Non-financial assets	4,752,816	4,219,967
Accumulated surplus	5,218,574	4,906,917

	2023	2022
	\$	\$
Results of operations		
Revenues other than municipal levies	20,215,503	22,182,265
Municipal levies	3,475,449	3,309,949
Expenses	(23,379,295)	(25,762,089)
Annual (deficit) surplus	311,657	(269,875)

The City's share of the municipal levies was **\$2,777,595** [2022 - \$2,629,221].



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

19. NON-CONSOLIDATED ENTITIES (continued)

The District of Thunder Bay Social Services Administration Board

Effective April 1, 1999, pursuant to provincial legislation, The District of Thunder Bay Social Services Administration Board was formed to accommodate the provincial government's requirement to consolidate the delivery of Social Services. The Board delivers provincially mandated services on behalf of the citizens of the District of Thunder Bay.

The following table provides condensed supplementary financial information for The District of Thunder Bay Social Services Administration Board, including its wholly-owned subsidiary, Thunder Bay District Housing Corporation, prepared in accordance with Canadian public sector accounting standards.

	2023	2022
	\$	\$
Financial position		
Financial assets	55,721,180	52,605,515
Long-term debt	(8,254,238)	(10,722,732)
Other liabilities	(33,956,064)	(33,839,892)
Net assets	13,510,878	8,042,891
Non-financial assets	39,543,874	41,820,340
Accumulated surplus	53,054,752	49,863,231

	2023	2022
	\$	\$
Results of operations		
Revenues other than municipal levies	89,634,260	80,557,212
Municipal levies	24,330,500	23,054,300
Other income	2,297,515	1,558,931
Expenses	(114,402,588)	(100,279,472)
Annual surplus	1,859,687	4,890,971

The City's share of the municipal levies was \$17,160,907 [2022 - \$16,347,275].



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

20. SEGMENTED INFORMATION

The City is a diversified municipal government institution that provides a wide range of services to its citizens. Segmented information has been prepared by major functional classification of activities provided, consistent with the consolidated statement of operations and provincially legislated requirements. For each reported segment, revenues and expenses represent both amounts attributable to the segment and amounts that are allocated on a reasonable basis.

The segmented information is provided in Schedule 3 to the consolidated financial statements and includes the following segments:

General Government

General Government comprises various administrative services, including Finance & Corporate Services, Legal Services, Realty Services, City Manager's Department, Facilities & Fleet Services, Mayor and Council, and Emergency Planning including emergency evacuations.

Protection to Persons and Property

Protection to persons and property is comprised of Police Services, Fire Services, Protective Inspection and Control, Thunder Bay Court Services and Emergency Measures. The mandate of Police Services is to ensure the safety of the lives and property of citizens, preserve peace and good order, prevent crimes from occurring, detect offenders, and enforce the law. The Fire Services department is responsible for fire suppression, fire prevention programs, training and education related to prevention, detection or extinguishment of fires. Protective Inspection and Control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws for the protection of occupants. Thunder Bay Court Services administers prosecutions and the collection of related fines and fees under the authority of the Provincial Offences Act. Emergency Measures includes COVID-19 pandemic expenses. Also included in Protection to Persons and Property is the City's contribution to the Lakehead Region Conservation Authority.

Transportation Services

Transportation services include Roadways, Winter Control, Transit, Parking and Street Lighting. Roadways covers the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, bridges, culverts, sidewalks, crossing guards and traffic lights. Winter Control includes snowplowing, sanding and salting, snow removal and flood control. The Transit division is responsible for providing local public transportation service including specialized public transportation. The Parking Authority is responsible for the planning, development and maintenance of parking lots, meters and parkades, including enforcement of parking regulations. Street Lighting plans, develops and maintains the street lighting system.

Environmental Services

Environmental services consist of Waterworks, Sanitary Sewer, Storm Sewer, Waste Collection and Disposal and Recycling. Waterworks provides drinking water to the citizens of Thunder Bay. Sanitary Sewer collects and treats wastewater. Storm Sewer provides surface water management. Waste Collection, Disposal and Recycling includes the collection of solid waste, landfill site operations and waste minimization programs.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

20. SEGMENTED INFORMATION (continued)

Health Services

Health Services includes Cemeteries, Ambulance Services, and the City's contribution to the Thunder Bay District Health Unit.

Social and Family Services

Social and Family Services include General Assistance, Senior Services and Child Care. General Assistance includes the City's contribution to the District of Thunder Bay Social Services Administration Board. Under Senior Services, the City operates a long term care facility, the 55+ Centre, and provides services to seniors, including meals on wheels, friendly visiting program and Jasper Apartments. Child Care includes the operating and maintenance of childcare centres.

Recreation and Cultural Services

Recreation and Cultural Services include Parks, Recreation Programs and Facilities, Thunder Bay Public Library and contributions to Cultural Organizations. The City provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs, the development and maintenance of various recreational facilities (including golf courses and the marina), and the maintenance of parks and open spaces. The Thunder Bay Public Library is dedicated to providing community access to local and global information resources that support lifelong learning, research and leisure activities. The City contributes to various cultural organizations under specific funding programs.

Planning and Development

Development services manages urban development for business interest, environmental concerns, heritage matters, local neighbourhoods and the downtown through city planning and community development and approval of all land development plans. Also included in Planning and Development are the activities of the Thunder Bay Community Economic Development Commission Inc., two Business Improvement Areas (BIAs), and Victoriaville Centre.

Tbaytel

Tbaytel was established as a Municipal Service Board to govern, control, maintain, operate and manage the City's provision of telecommunication services.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

21. BUDGET INFORMATION

Budgets are established to set tax rates or to finance projects which may be carried out over one or more years. Budget figures have been reclassified for purposes of these consolidated financial statements to comply with PSAB reporting requirements and are not audited. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

	\$
Revenues	
Approved Budget	
Operating	455,838,341
Capital	91,555,000
Consolidated Boards	204,837,546
	752,230,887
Adjustments	
Transfer from reserves to operating	(5,447,200)
Obligatory Reserve Funds	(19,405,300)
In year budget adjustments - capital	16,868,318
Financial statement presentation adjustments	2,726,833
Reduction due to tangible capital asset accounting	(91,555,000)
Reclassification of taxation	(225,400)
Total Revenues	655,193,138
Expenses	
Approved Budget	
Operating	455,838,341
Capital	91,555,000
Consolidated Boards	165,351,546
	712,744,887
Adjustments	
Amortization of tangible capital assets	47,113,598
Accretion of ARO	630,456
Transfer to reserves	46,841,000
Reduction due to tangible capital asset accounting	(91,555,000)
Capital out of revenue	(18,264,900)
Post employment benefit expense	(4,231,679)
Financial statement presentation adjustments	(4,409,200)
Reclassification of taxation	(225,400)
Debt principal payments	(23,994,300)
Operating expenses budgeted in capital expensed in current year	28,680,913
Total Expenses	599,648,375
Loss on disposal of tangible capital assets	(94,000)
Annual Surplus	55,450,763

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

21. BUDGET INFORMATION (continued)

(A) Amortization of tangible capital assets does not include the amortization of the Consolidated Boards (\$31,302,000) and acquisitions of tangible capital assets (\$71,664,000), these amounts are included in their approved budget.

22. FLOOD DISASTER

On May 28, 2012, the City of Thunder Bay experienced a severe rainfall event, which resulted in the flooding of the Atlantic Avenue Secondary Sewage Treatment Plant (the "Plant") and basement flooding in certain areas of the City. On June 8, 2012, the Province of Ontario declared the City of Thunder Bay a disaster area for the purposes of the Ontario Disaster Relief Assistance Program ("ODRAP").

The City is currently in a dispute with its insurer, which has denied the claim based upon a disagreement over the proper allocation of repair costs for purposes of coverage under the insurance policy. The City believes that the basis for the denial of the claim is invalid and has initiated legal action against its insurers and the claims adjusters. As this amount is in dispute and the outcome of the action is indeterminable, in accordance with PSAB standards the City has derecognized the balance in dispute and will record the amount of any recovery when received.

23. COMPARATIVE AMOUNTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the current year financial statements.

24. FUTURE ACCOUNTING CHANGES

Revenue, PS 3400 is effective for fiscal years beginning on or after April 1, 2023. PS 3400 provides guidance on how to account for and report revenue. The City has not yet adopted this standard or determined the effect on the consolidated financial statements.

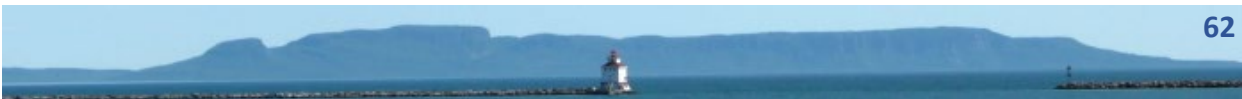
Purchased Intangibles, PSG-8 is effective for fiscal years beginning on or after April 1, 2023. PSG-8 provides guidance on recognition and how to account for purchased intangibles. The City has not yet adopted this standard or determined the effect on the consolidated financial statements.

Public Private Partnerships, PS 3160 is effective for fiscal years beginning on or after April 1, 2023. PS 3160 provides guidance on how to account for public private partnerships. The City has not yet adopted this standard or determined the effect on the consolidated financial statements.

Revisions to the Conceptual Framework are effective for fiscal years beginning on or after April 1, 2026. The City has not yet adopted this standard or determined the effect on the consolidated financial statements.

25. SUBSEQUENT EVENT

Subsequent to year end the City will be entering into a loan agreement with the Thunder Bay Community Auditorium Inc. (TBCA). The credit facilities include a base loan in the amount of \$500,000 and a revolving event loan in the amount of \$500,000. Both credit facilities are interest free and shall have a term of five years with possible approval for an extension of an additional two years.



THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 1

As at December 31,	General Capital							Infrastructure					Assets Under Construction AUC)	Total	
	Land	Land Improvements	Buildings	Machinery & Equipment	Vehicles	Network Assets	Library Collection	Land	Land Improvements	Building	Linear Assets	Machinery & Equipment		2023	2022
Cost	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	(Restated) (note 2)
Balance, beginning of year	27,562,332	80,133,532	255,319,821	121,917,582	88,987,162	684,367,000	4,467,068	1,480,698	14,910,028	262,993,640	1,204,799,602	17,831,477	42,954,879	2,807,724,821	2,689,348,096
Add: Additions	13	5,296,211	4,667,405	8,176,454	6,904,124	42,907,000	199,404	-	124,997	-	19,621,161	809,432	28,046,464	116,752,665	122,363,326
Add: Transfers from AUC	-	670,635	2,799,255	441,481	953,691	14,675,000	-	-	-	-	11,390,727	737,147	(31,667,936)	-	-
Less: Disposals	-	197,004	2,011,181	1,620,824	3,314,381	1,037,000	154,777	-	-	-	2,150,326	424,485	-	10,909,978	9,928,051
Less: Write-downs	-	-	-	-	-	-	-	-	-	-	1,576,538	-	152,467	1,729,005	178,845
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,120,295
Balance, end of year	27,562,345	85,903,374	260,775,297	128,914,693	93,530,596	740,912,000	4,511,695	1,480,698	15,035,025	262,993,640	1,232,084,626	18,953,571	39,180,940	2,911,838,503	2,807,724,821
Accumulated Amortization															
Balance, beginning of year	-	43,060,254	117,752,625	89,086,467	52,913,160	429,493,000	3,654,215	-	8,459,546	119,080,952	806,774,448	6,700,163	-	1,676,974,830	1,605,357,549
Add: Amortization	-	2,923,484	6,890,784	9,174,309	6,073,298	25,906,000	258,857	-	374,132	7,346,919	21,839,504	1,011,467	-	81,798,754	77,709,037
Less: Accumulated Amortization on disposals	-	183,759	2,011,181	1,593,438	3,145,027	973,000	154,777	-	-	-	1,989,453	407,162	-	10,457,797	9,073,218
Adjustment for ARO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,981,462
Balance, end of year	-	45,799,979	122,632,225	96,667,338	55,841,431	454,426,000	3,758,295	-	8,833,678	126,427,871	826,624,499	7,304,468	-	1,748,315,787	1,676,974,830
Net Book Value of Tangible Capital Assets	27,562,345	40,103,395	138,143,072	32,247,355	37,689,165	286,486,000	753,400	1,480,698	6,201,347	136,565,769	405,460,127	11,649,103	39,180,940	1,163,522,716	1,130,749,991

THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS

Schedule 2

As at December 31,	2023	2022
	\$	\$
		(Restated) (note 2)
Surplus		
Investment in tangible capital assets	1,163,522,716	1,130,749,991
Municipal debenture debt	(202,822,908)	(216,860,093)
Investment in Thunder Bay Hydro Corporation	100,894,048	110,632,595
General fund	11,063,280	10,007,879
Employee future benefits	(113,647,375)	(117,953,054)
	959,009,761	916,577,318
Reserves		
Capital reserves	30,158,171	26,740,241
Animal Control Donation	169,704	-
Election	272,350	-
Event Hosting	960,124	-
Fleet & Equipment Replacement	958,179	-
Insurance	2,120,769	1,450,769
Legal Fees	3,001,463	-
Stabilization	12,204,825	14,300,622
Tax assessment appeals	7,003,892	9,303,892
Winter Control	2,175,913	1,335,458
Working Capital	4,300,000	4,300,000
	63,325,390	57,430,982
Reserve funds		
Capital reserve funds	81,905,840	66,499,410
Renew Thunder Bay	27,247,599	26,518,299
Indoor Turf	11,152,170	10,840,772
EMS	1,592,248	1,292,231
Recreation	3,336,998	3,364,308
Post-employment benefits	5,708,508	5,488,950
Vested sick leave	2,174,813	2,091,166
WSIB	2,286,228	2,933,873
Vested property rehabilitation	5,369,505	6,143,755
Economic development	4,363,693	3,588,504
Other	6,211,547	11,226,700
	151,349,149	139,987,968
Total reserves and reserve funds	214,674,539	197,418,950
Accumulated Surplus	1,173,684,300	1,113,996,268

THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

Schedule 3

For the year ended December 31,	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues										
Taxation, net	219,556,558	209,106,773	-	-	-	-	-	-	-	-
Government of Canada grants	11,909,587	10,086,345	507,502	322,828	1,851,015	2,992,411	676,665	1,625,049	-	-
Province of Ontario grants	27,195,675	31,042,710	5,439,909	5,777,556	4,211,511	4,072,193	1,545,353	1,538,667	21,831,187	20,143,334
Contributed tangible capital assets	-	750,265	-	-	-	-	-	-	-	-
Fees and service charges	4,710,931	4,761,547	2,218,205	1,782,307	7,961,877	6,847,917	64,804,739	62,899,261	189,218	288,739
Other	5,975,062	5,387,648	4,532,535	5,436,246	1,751,710	1,025,548	887,296	642,772	3,146,998	3,077,545
Investment income	5,423,316	3,946,510	21,004	74,235	253,927	333,834	1,844,047	1,397,124	118,921	75,836
Tbaytel fees and service charges	-	-	-	-	-	-	-	-	-	-
Total Revenues	274,771,129	265,081,798	12,719,155	13,393,172	16,030,040	15,271,903	69,758,100	68,102,873	25,286,324	23,585,454
Expenses										
Salary, wages and employee benefits	35,174,559	31,717,975	97,765,312	93,731,421	20,632,832	20,103,917	16,721,285	15,818,701	29,283,224	27,948,300
Long term debt interest	130,531	77,674	111,076	108,327	747,207	748,631	4,031,882	2,979,361	208,837	223,571
Materials	33,886,597	31,907,145	5,942,895	6,777,055	5,949,354	6,976,556	10,015,236	9,999,121	3,715,520	2,656,399
Contracted services	7,368,595	9,044,836	2,702,242	2,481,536	4,150,907	4,956,395	13,454,861	12,571,281	1,070,554	923,594
Rents & financials	2,294,553	2,053,469	443,856	433,329	1,031,433	1,773,886	2,491,333	2,350,537	503,168	453,366
External transfers to others	-	-	1,891,806	1,697,245	-	-	-	-	2,777,595	2,629,221
Interfunctional and program support	(49,801,228)	(49,485,983)	3,192,325	3,045,179	16,919,778	16,904,779	10,889,228	11,130,802	1,945,393	1,810,045
Unfunded liabilities	5,151	(610,644)	(7,457,766)	16,252,665	73,435	(1,513,136)	(357,024)	(1,167,746)	5,931,825	3,069,680
Amortization of tangible capital assets	1,037,386	891,647	2,798,970	2,746,417	18,654,110	18,630,746	16,686,666	16,845,546	1,670,096	1,605,836
Accretion of ARO	24,218	19,636	23,007	24,255	20,658	19,750	259,762	252,975	673	643
Total expenses	30,120,362	25,615,755	107,413,723	127,297,429	68,179,714	68,601,524	74,193,229	70,780,578	47,106,885	41,320,655
Net revenues (expenses)	244,650,767	239,466,043	(94,694,568)	(113,904,257)	(52,149,674)	(53,329,621)	(4,435,129)	(2,677,705)	(21,820,561)	(17,735,201)



THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

Schedule 3

For the year ended December 31,	Social and Family Services		Recreation and Cultural Services		Planning and Development		Tbaytel		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues										
Taxation, net	-	-	-	-	-	-	-	-	219,556,558	209,106,773
Government of Canada grants	131,694	35,741	4,220,664	2,286,279	1,141,600	933,861	62,300	300,000	20,501,027	18,582,514
Province of Ontario grants	12,888,197	12,161,643	3,625,507	2,448,455	1,717,348	535,331	40,000	620,000	78,494,687	78,339,889
Contributed tangible capital assets	-	-	-	-	-	-	-	-	-	750,265
Fees and service charges	8,574,467	8,137,953	9,730,297	7,526,098	1,695,424	1,755,489	-	-	99,885,158	93,999,311
Other	-	17,675	386,551	1,013,381	1,404,289	1,396,710	11,704,700	12,525,000	29,789,141	30,522,525
Investment income	101,363	76,196	808,353	553,234	351,745	203,046	714,000	(396,000)	9,636,676	6,264,015
Tbaytel fees and service charges	-	-	-	-	-	-	207,524,000	206,867,000	207,524,000	206,867,000
Total Revenues	21,695,721	20,429,208	18,771,372	13,827,447	6,310,406	4,824,437	220,045,000	219,916,000	665,387,247	644,432,292
Expenses										
Salary, wages and employee benefits	21,133,708	19,488,504	21,747,232	20,486,282	3,439,628	3,507,101	37,217,000	36,147,000	283,114,780	268,949,201
Long term debt interest	83,384	298,980	102,689	94,175	-	-	1,133,181	1,222,822	6,548,787	5,753,541
Materials	5,029,558	3,448,277	9,238,566	6,749,179	4,066,683	3,455,396	88,618,963	89,795,298	166,463,372	161,764,426
Contracted services	1,013,989	1,007,819	5,384,058	3,818,039	1,808,870	1,053,683	-	-	36,954,076	35,857,183
Rents & financials	95,435	86,305	424,654	262,071	222,538	205,055	67,819	(130,822)	7,574,789	7,487,196
External transfers to others	17,160,907	16,347,275	2,866,294	4,874,611	249,670	248,565	-	-	24,946,272	25,796,917
Interfunctional and program support	2,320,175	2,147,310	12,899,057	12,735,652	1,635,272	1,712,216	-	-	-	-
Unfunded liabilities	(2,154,558)	724,689	(285,425)	(371,241)	12,683	(82,622)	-	-	(4,231,679)	16,301,645
Amortization of tangible capital assets	406,146	434,735	5,806,868	5,417,579	583,512	293,586	34,155,000	31,024,000	81,798,754	77,890,092
Accretion of ARO	4,258	4,070	293,237	280,341	29,555	28,255	113,000	108,000	768,368	737,925
Total expenses	45,093,002	43,987,964	58,477,230	54,346,688	12,048,411	10,421,235	161,304,963	158,166,298	603,937,519	600,538,126
Net revenues (expenses)	(23,397,281)	(23,558,756)	(39,705,858)	(40,519,241)	(5,738,005)	(5,596,798)	58,740,037	61,749,702	61,449,728	43,894,166



The Corporation of the City of Thunder Bay

Trust Funds Financial Statements

December 31, 2023





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BDO Canada LLP
1095 Barton Street
Thunder Bay ON P7B 5N3

Independent Auditor's Report

To The Corporation of the City of Thunder Bay

Qualified Opinion

We have audited the statement of financial position of The Corporation of the City of Thunder Bay Trust Funds (the Trust Funds) as at December 31, 2023 and the statement of continuity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements, present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2023, and its results of operations for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis for Qualified Opinion

The trust funds of The Corporation of the City of Thunder Bay derive receipts from donations and deposits (withdrawals) for residents of the homes for the aged, as well as, donations for other purposes, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these receipts was limited to the amounts recorded in the records of the trust funds. Therefore, we were unable to determine whether any adjustments might be necessary to donation receipts and surplus for the year, assets, liabilities and accumulated surplus. The audit opinion on the statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 Statement* section of our report. We are independent of the Trust Funds in accordance with the ethical requirements that are relevant to our audit of the financial statement 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 qualified opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial statements are prepared to assist The Corporation of the City of Thunder Bay in assessing the Trust Funds' financial information. As a result, the statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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

Management is responsible for preparation and fair presentation of the financial statements in accordance with the basis of accounting as described in Note 1. This includes determining that the basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances, and for such internal control as management determines is necessary to enable the

Independent Auditor's Report (cont'd)

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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



Independent Auditor's Report (cont'd)

- Evaluate the overall presentation, structure and content of the statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
October 28, 2024

THE CORPORATION OF THE CITY OF THUNDER BAY
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
Year ended December 31, 2023

	<u>Total</u>	<u>Older Adults Centre</u>	<u>Cemeteries</u>	<u>Cemetery Marker Mtce.</u>	<u>Dawson Court Home for Aged</u>	<u>Grandview Lodge Home for Aged</u>	<u>Pioneer Ridge Home for Aged</u>	<u>Lake Superior Memorial Hillcrest Pk</u>	<u>Employee Disability</u>	<u>Civic Employees Pension Trust Committee</u>	<u>Community Auditorium Repairs</u>	<u>Art In Public Places</u>	<u>Provincial Land Tax</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Assets</u>													
Cash	155,345	-	116	-	2,020	4,945	18,361	-	1,626	-	-	-	128,277
Investments (note 2)	14,881,101	188,726	1,205,876	542,566	-	-	-	36,923	12,894,726	1,998	-	10,286	-
Accrued interest	8	-	1	-	-	-	-	-	7	-	-	-	-
	<u>15,036,454</u>	<u>188,726</u>	<u>1,205,993</u>	<u>542,566</u>	<u>2,020</u>	<u>4,945</u>	<u>18,361</u>	<u>36,923</u>	<u>12,896,359</u>	<u>1,998</u>	<u>-</u>	<u>10,286</u>	<u>128,277</u>
<u>Liabilities and accumulated surplus</u>													
Due to revenue fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated surplus	<u>15,036,454</u>	<u>188,726</u>	<u>1,205,993</u>	<u>542,566</u>	<u>2,020</u>	<u>4,945</u>	<u>18,361</u>	<u>36,923</u>	<u>12,896,359</u>	<u>1,998</u>	<u>-</u>	<u>10,286</u>	<u>128,277</u>
	<u>15,036,454</u>	<u>188,726</u>	<u>1,205,993</u>	<u>542,566</u>	<u>2,020</u>	<u>4,945</u>	<u>18,361</u>	<u>36,923</u>	<u>12,896,359</u>	<u>1,998</u>	<u>-</u>	<u>10,286</u>	<u>128,277</u>

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



THE CORPORATION OF THE CITY OF THUNDER BAY
TRUST FUNDS
STATEMENT OF CONTINUITY
Year ended December 31, 2023

	Total	Older Adults Centre	Cemetery	Cemetery Marker Mtce.	Dawson Court Home for Aged	Grandview Lodge Home for Aged	Pioneer Ridge Home for Aged	Lake Superior Regiment Memorial Hillcrest Pk	Employee Disability	Civic Employees Pension Trust Committee	Community Auditorium Repairs	Art In Public Places	Provincial Land Tax
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accumulated surplus, beginning of year	14,422,015	194,162	1,192,806	502,873	2,020	4,945	21,528	35,098	12,140,605	1,998	857	9,778	315,345
Receipts													
Contribution from premiums	6,139,555	-	-	-	-	-	-	-	6,139,555	-	-	-	-
PLT deposits	71,817,050	-	-	-	-	-	-	-	-	-	-	-	71,817,050
Deposit	50,560	-	-	-	-	-	50,560	-	-	-	-	-	-
Donations	10,094	10,094	-	-	-	-	-	-	-	-	-	-	-
Sale of plots	13,187	-	13,187	-	-	-	-	-	-	-	-	-	-
Marker fees	13,200	-	-	13,200	-	-	-	-	-	-	-	-	-
Earned interest	757,263	9,703	62,363	26,493	-	-	-	1,825	634,462	-	-	508	21,909
	<u>78,800,909</u>	<u>19,797</u>	<u>75,550</u>	<u>39,693</u>	<u>-</u>	<u>-</u>	<u>50,560</u>	<u>1,825</u>	<u>6,774,017</u>	<u>-</u>	<u>-</u>	<u>508</u>	<u>71,838,959</u>
Expenditures													
Residents' withdrawals, net	53,727	-	-	-	-	-	53,727	-	-	-	-	-	-
PLT Transfers to Ministry	71,820,521	-	-	-	-	-	-	-	-	-	-	-	71,820,521
Disability claims	5,700,441	-	-	-	-	-	-	5,700,441	-	-	-	-	-
Capital contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
Net investment earnings	62,363	-	62,363	-	-	-	-	-	-	-	-	-	-
General Operating costs	549,418	25,233	-	-	-	-	-	317,822	-	-	857	-	205,506
	<u>78,186,470</u>	<u>25,233</u>	<u>62,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,727</u>	<u>-</u>	<u>6,018,263</u>	<u>-</u>	<u>857</u>	<u>-</u>	<u>72,026,027</u>
Accumulated surplus, end of year	<u>15,036,454</u>	<u>188,726</u>	<u>1,205,993</u>	<u>542,566</u>	<u>2,020</u>	<u>4,945</u>	<u>18,361</u>	<u>36,923</u>	<u>12,896,359</u>	<u>1,998</u>	<u>-</u>	<u>10,286</u>	<u>128,277</u>

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



THE CORPORATION OF THE CITY OF THUNDER BAY
TRUST FUNDS
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared by management using the recognition and measurement principles of Canadian public sector accounting standards. Receipts and disbursements are reported using the accrual basis of accounting which recognizes revenues as they become available and measureable, and disbursements as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Investments

Investments are accounted for at cost plus accrued earnings. The carrying value of an investment is written down to its net recoverable amount if a decline in value is judged to be other than temporary. Investment income earned is reported as revenue in the period earned.

2. Investments

The total investments, by the trust funds of \$14,881,101 (2022 - \$14,076,515) reported on the balance sheet at carrying value, have a market value of \$14,881,101 (2022 - \$14,076,515). The investments are comprised of the ONE High Interest Savings Account.



Five Year Statistical Overview (unaudited)

General Indicators

	2023	2022	2021	2020	2019
¹ Population	114,707	113,356	112,315	112,330	111,990
¹ Area in Acres	81,051	81,051	81,051	81,051	81,051
¹ Number of Households	48,405	48,405	48,405	47,180	47,180
² Average Household Income	\$96,022	\$93,040	\$92,986	\$91,670	\$90,125
¹ Land Area (sq. km)	328	328	328	328	328
¹ Population Density per sq km	350	346	342	342	341

¹ Source: Statistics Canada, 2024

²Source: BMA Municipal Study, Manifold Data Mining

Economic Indicators

	2023	2022	2021	2020	2019
¹ Employment Rate	59.2%	56.9%	57.4%	56.1%	58.3%
¹ Participation Rate	62.2%	60.1%	61.3%	60.7%	62.1%
¹ Unemployment Rate	4.8%	5.3%	6.3%	7.6%	6.0%
² Weighted Median Dwelling Value (\$)	229,441	229,441	229,441	229,441	218,737
¹ Construction Value of Building Permits Issued (\$ million)	476.1	183.4	161.4	96.0	173.1

¹Source: Statistics Canada, 2024

²Source: BMA Municipal Study, Manifold Data Mining

Top Ten Employers in the City of Thunder Bay (2023) Based on Total Employees:

- Alstom
- City of Thunder Bay
- Confederation College
- Government of Ontario
- Lakehead University
- Lakehead District School Board
- St. Joseph Care Group
- Thunder Bay Catholic District School Board
- Thunder Bay Pulp and Paper / Resolute Forest Products
- Thunder Bay Regional Health Sciences Centre

Source: Environics Analytics, 2023-24



THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2023

Municipal Taxation

Taxable Assessment (\$ millions)	2023	2022	2021	2020	2019
Residential	9,239.2	9,194.5	9,163.9	9,116.6	8,632.8
New Multi-Residential	33.1	28.4	25.0	17.0	14.2
Multi-Residential	464.7	460.1	464.3	462.6	434.6
Commercial	1,729.1	1,710.7	1,719.3	1,715.1	1,634.4
Industrial	61.0	63.5	63.0	67.0	65.5
Large Industrial	62.7	64.5	64.8	72.4	68.1
Landfill	0.7	0.7	0.7	0.7	0.7
Pipelines	38.1	38.0	37.8	37.8	36.8
Farmlands	3.9	2.6	2.5	4.1	4.2
Managed Forest	1.5	1.5	1.2	1.4	1.3
Total Taxable Assessment	11,634.0	11,564.5	11,542.5	11,494.7	10,892.6

Source: City of Thunder Bay Corporate Services Department (MPAC)

Tax Rates (%)*	2023	2022	2021	2020	2019
Residential	1.708921	1.634104	1.591080	1.562626	1.598484
New Multi-Residential	1.708921	1.634104	1.591080	1.562626	1.598484
Multi-Residential	3.249284	3.115208	3.029160	3.092150	3.428137
Commercial	3.960723	3.859032	3.822133	3.912686	4.062526
Industrial	4.568834	4.391455	4.289451	4.328485	4.492480
Large Industrial	5.127664	5.101147	5.160283	5.438979	6.339146
Landfill	4.899456	4.706179	4.595034	4.621527	4.743493
Pipelines	5.187392	4.980269	4.861162	4.882390	5.009513
Farmlands	0.427231	0.408527	0.397771	0.390658	0.399621
Managed Forest	0.427231	0.408527	0.397771	0.390658	0.399621

*Includes education tax levy component.

Source: City of Thunder Bay Corporate Services Department



THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2023

Property Taxes	2023	2022	2021	2020	2019
Tax Levy (\$ million)	218.4	208.0	203.1	199.4	194.1
Net Municipal Levy per Capita (\$)	1,904	1,846	1,816	1,783	1,749
Tax Arrears (\$ million)	15.4	12.9	11.5	12.8	10.4
Tax Arrears as a % of Tax Levy	7.0%	6.2%	5.6%	6.4%	5.3%

Source: City of Thunder Bay Corporate Services Department

Top Ten Largest Corporate (commercial and industrial) Property Taxpayers (2023)

- HOOPP Realty Inc.
- 3022056 Canada Inc.
- Skyline Retail Real Estate Investment Trust
- Thunder Bay Pulp and Paper Inc.
- Gateway Casino & Entertainment Ltd.
- Southbridge Health Care GP Inc.
- Jennum Thunder Bay Properties Inc.
- 1333440 Ontario Ltd.
- Viterra Inc.
- Prime Site Properties Inc.

Source: City of Thunder Bay Corporate Services Department



CORPORATION OF THE CITY OF THUNDER BAY
Financial Report 2023

Financial Results

Consolidated Statement of Financial Position

(\$ millions)	2023	2022	2021	2020	2019
Financial Assets					
Cash	20.7	30.4	35.8	35.8	22.6
Investments	219.9	186.8	160.5	121.6	115.3
Taxes Receivable	15.4	12.9	11.5	12.8	10.4
Accounts Receivable	74.4	68.9	61.5	47.5	35.5
User Charges Receivable	14.7	14.1	13.8	14.0	13.5
Other Assets	4.8	4.9	3.9	6.4	8.1
Long Term Receivable	2.2	1.6	1.8	1.9	2.0
Investment in Thunder Bay Hydro Corporation	100.9	110.6	109.3	106.3	103.3
Total Financial Assets	453.0	430.2	398.1	346.3	310.7
Liabilities					
Accounts Payable and Accrued Liabilities	80.2	74.2	69.9	74.1	83.0
Deferred Revenue	46.8	37.8	36.1	27.2	29.1
Employee Future Benefits	113.7	117.9	101.6	96.8	94.6
Municipal Debenture Debt	202.8	216.9	203.8	212.2	212.1
Asset Retirement Obligation	21.7	20.9	5.5	5.5	5.3
Total Liabilities	465.2	467.7	416.9	415.8	424.1
Net Debt	(12.2)	(37.5)	(18.8)	(69.5)	(113.4)
Non-Financial Assets					
Tangible Capital Assets	1,163.5	1,130.7	1,084.0	1,058.7	1,044.5
Supplies Inventory	14.2	15.9	10.8	7.1	6.8
Prepaid Expenses	8.2	4.9	4.6	3.9	5.2
Total Non-Financial Assets	1,185.9	1,151.5	1,099.4	1,069.7	1,056.5
Accumulated Surplus	1,173.7	1,114.0	1,080.6	1,000.2	943.1

Long Term Debt

	2023	2022	2021	2020	2019
Long Term Debt (\$ millions)					
Tax-Supported Debt	52.2	58.7	63.5	69.5	76.4
Rate-Supported Debt	112.4	116.8	95.6	94.8	96.8
Tbaytel	38.2	41.4	44.7	47.9	38.9
Total	202.8	216.9	203.8	212.2	212.1
Long Term Debt Per Capita (\$)	455	517	565	618	682
Debt Charges for the Year (\$millions)					
Principal Payments	27.7	25.5	24.9	24.0	22.2
Interest Charges	6.5	5.7	6.2	6.7	6.6
Total	34.2	31.2	31.1	30.7	28.8
Annual Debt Repayment Limit (\$ millions)	95.7	91.9	94.1	93.7	94.8

Tangible Capital Assets

(\$ millions)	2023	2022	2021	2020	2019
Cost					
General Capital	1,342.1	1,262.7	1,179.7	1,109.9	1,059.6
Infrastructure	1,530.5	1,502.0	1,464.2	1,440.5	1,414.9
Assets Under Construction	39.2	43.0	45.4	42.0	34.1
Total Cost	2,911.8	2,807.7	2,689.3	2,592.4	2,508.6
Accumulated Amortization					
General Capital	779.1	736.0	693.5	649.4	607.3
Infrastructure	969.2	941.0	911.8	884.3	856.8
Total Accumulated Amortization	1,748.3	1,677.0	1,605.3	1,533.7	1,464.1
Net Book Value of Tangible Capital Assets	1,163.5	1,130.7	1,084.0	1,058.7	1,044.5
Tangible Capital Asset Acquisitions	116.8	122.4	106.7	94.8	90.3

Consolidated Statement of Operations and Accumulated Surplus

(\$ millions)	2023	2022	2021	2020	2019
Revenues by Source					
Taxation	219.6	209.1	203.9	201.1	196.6
Fees and Service Charges	99.9	94.0	87.8	83.1	91.7
Government of Canada Grants	20.5	18.6	21.5	18.6	11.7
Province of Ontario Grants	78.5	78.3	76.7	74.9	53.0
Contributed Tangible Capital Assets	0.0	0.7	0.0	0.2	0.1
Investment Income	9.6	6.3	4.3	3.3	3.1
Other	29.8	30.5	22.9	18.4	21.0
Tbaytel Fees and Service Charges	207.5	206.9	204.9	195.6	192.6
Total Revenues	655.4	644.4	622.0	595.2	569.8
Expenses by Function					
General Government	30.1	25.6	22.7	29.0	27.3
Protection to Persons and Property	107.4	127.3	107.9	103.8	101.2
Transportation Services	68.2	68.6	60.4	59.1	65.8
Environmental Services	74.2	70.9	64.1	64.1	67.4
Health Services	47.1	41.3	38.0	33.7	34.8
Social and Family Services	45.1	44.0	41.0	39.2	40.2
Recreation and Cultural Services	58.5	54.3	45.5	44.1	48.0
Planning and Development	12.1	10.4	8.1	8.0	9.1
Tbaytel	161.3	158.2	155.6	159.3	166.1
Total Expenses	603.9	600.6	543.3	540.3	559.9
Net Revenues Before the Following	61.4	43.9	78.7	54.9	9.9
Loss on Disposal of Tangible Capital Assets	(0.3)	(0.4)	(1.2)	(0.7)	(2.6)
Write-down of Tangible Capital Assets	(1.7)	(0.2)	0.0	(0.1)	(2.7)
Earnings from Thunder Bay Hydro Corporation	0.3	1.4	3.0	3.0	1.3
Annual Surplus	59.7	44.7	80.5	57.1	5.9
Accumulated Surplus, Beginning of Year	1,114.0	1,069.4	1,000.2	943.1	937.2
Adjustment for Asset Retirement Obligation			(11.4)		
Accumulated Surplus, End of Year	1,173.7	1,114.0	1,069.4	1,000.2	943.1

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Consolidated Expenses by Object

(\$ millions)	2023	2022	2021	2020	2019
Salary, Wages, and Employee Benefits	283.1	268.9	253.0	242.9	242.7
Long Term Debt Interest	6.5	5.7	6.2	6.7	6.6
Materials	166.4	161.8	144.2	156.3	167.3
Contracted Services	37.0	35.9	26.7	22.5	22.5
Rents and Financials	8.4	8.2	5.4	6.0	7.4
External Transfers to Others	24.9	25.8	23.5	23.9	23.1
Unfunded Liabilities	(4.2)	16.3	4.8	2.5	11.3
Amortization of Tangible Capital Assets	81.8	77.9	79.5	79.5	79.0
Total Expenses	603.9	600.5	543.3	540.3	559.9

Reserve and Reserve Fund Balances

(\$ millions)	2023	2022	2021	2020	2019
Tax-Supported	164.4	152.9	159.9	135.9	117.8
Rate-Supported	50.3	44.5	39.7	26.0	19.6
Total Reserves and Reserve Funds	214.7	197.4	199.6	161.9	137.4

