

**THE ECONOMIC IMPACT OF
TOURISM IN LAKE OF WOODS, ONTARIO**

Prepared for:

**Northwestern Ontario Tourism Association
Supplement Report**

Prepared by:

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in association with
CANADIAN TOURISM RESEARCH INSTITUTE

October 2003

October 20, 2003

Mr. Jerry Fisher
Northwestern Ontario Tourism Association
PO Box 458
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RE: Lake of Woods Tourism Economic Impact Study – Final Report

Dear Members of the Study Steering Committee:

In accordance with the terms of engagement, PKF Consulting, in association with the Canadian Tourism Research Institute, has completed the research and analysis relating to the Economic Impact Study of Tourism in Sunset Country, Ontario. As part of this assignment, a separate analysis of the economic importance of tourism to the Lake of the Woods region was also provided, and is summarized herein.

Based on the 2001 financial data provided by Lake of the Woods accommodation operators, tourism expenditures from both operations and capital expenditures contributed:

- 3,022 full-year jobs, of which 2,477 jobs (82%) were in Sunset Country;
- \$98 Million in economic activity, of which \$64 Million (65%) benefited Sunset Country;
- Wages and Salaries in excess of \$63 Million -- \$45 Million in Sunset Country; and
- \$41 Million in Federal, Provincial and Municipal taxes.

Yours very truly,



PKF Consulting

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1.0 INTRODUCTION

1.1 Study Background

PKF Consulting in association with the **Canadian Tourism Research Institute (CTRI)** was retained in July 2002 by the following stakeholders to complete an Economic Impact analysis of Tourism in Sunset Country:

- Northwestern Ontario Tourist Association
- Kenora District Camp Owners Association
- The Conservation Coalition for Ontario's Resources
- Rainy River Future Development Corporation
- Ontario Ministry of Natural Resources
- Ontario's Sunset Country Travel Association
- Atikokan Economic Development Corporation
- Lake of the Woods Business Incentive Corporation
- Chukuni Communities Development Corporation
- Pwi-Di-Goo-Zing Nee-Yaa-Zhing Advisory Services
- Northern Ontario Tourist Outfitters Association

Tourism operators have been essential to the subject study by generously providing financial and operating data via completed questionnaires and the Ontario Ministry of Tourism and Recreation provided an advisory role in the study process. A copy of the final report, entitled *The Economic Impact of Tourism in Sunset Country* is provided under separate cover. The subject report is a subset of the original mandate, and provides an analysis of the Lake of the Woods Region, within Sunset Country.

1.2 Study Area

A sub-region of Lake of the Woods has also been defined for this study, comprising parts of the Kenora and Rainy River sub-regions. The addition of the Lake of the Woods sub-region allows for the quantification of economic value induced by the primarily sport-fishing tourism operators within the defined area surrounding the famous Lake of the Woods, and in particular the value of the sport-fishing tourism industry to the First Nation's people.

1.3 Study Methodology

The reader is referred to *The Economic Impact of Tourism in Sunset Country, Ontario* for a discussion of the study methodology utilized in the analysis and a glossary of terms.

Accommodation Inventory

The inventory of Lake of the Woods accommodation establishments was provided by the Ministry of Natural Resources, which lists 86 fixed-roof accommodation establishments, with a total of 784 rental units, the majority of which are 10 or less units in size.

Exhibit 1-1 STUDY AREA ACOMMODATION INVENTORY & RESPONSE RATE									
Region	10 or less units		11 - 19 units		20+ units		Total Accom.		
	Properties	Total Units	Properties	Total Units	Properties	Total Units	Properties	Total Units	
Lake of the Woods	62	424	20	265	4	95	86	784	
Percentage	72%	54%	23%	34%	5%	12%	100%	100%	
Source: Ministry of Natural Resources									
Survey Response Rate									
	5	45	6	79	3	75	14	199	

Survey Response

In all, 14 accommodation properties responded, representing a total of 199 rental accommodation units in the Lake of the Woods Region.

2.0 LAKE OF THE WOODS AREA ACCOMMODATION OPERATOR SURVEY

While data from accommodation operators in the area surrounding the Lake of the Woods has been included in the previous section’s results, study partners were also interested in data isolated to the operators surrounding the Lake of the Woods. This area is primarily made up of sport-fishing related accommodation operators, narrowing the study, in order to quantify the economic impact of overnight sport-fishing tourism on the Lake of the Woods Area. Portions of the Rainy River and Kenora sub-regions make up the Lake of the Woods area boundary, with an inventory of 784 commercial accommodation units. The detailed operating statements from 14 Lake of the Woods accommodation operators with 199 units were extrapolated to reflect the full Lake inventory of 86 operators with 784 units.

2.1 Lake of the Woods Area Accommodation Provider Market and Business Profile

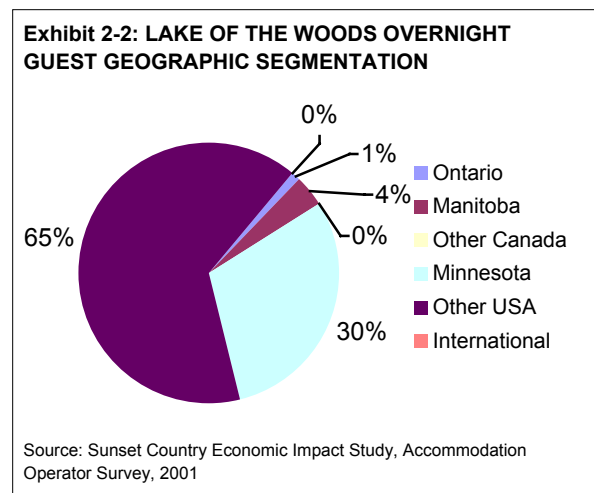
95% of Lake of the Woods Overnight Visitors are from the United States

Almost every Lake of the Woods overnight visitor staying in a roofed-commercial accommodation is from the United States as shown in Exhibit 2-1. Specifically, 30% come from neighbouring Minnesota and the remaining 65% from elsewhere in the United States. Accommodation providers indicate that only 5% of visitors are of domestic origin, with 4% from Manitoba and 1% from within Ontario. Based on the data provided, Lake of the Woods has no international or other Canadian (outside Manitoba and Ontario) tourists or at least such a small number they do not even equate to one percent of total visitations. Clearly, American tourists are vital to the health of

Exhibit 2-1: GEOGRAPHIC SEGMENTATION OF COMMERCIAL OVERNIGHT VISITORS

Visitor Origin	Lake of the Woods	Overall Study Area
Other United States	65%	61%
Minnesota	30%	27%
Ontario	1%	6%
Manitoba	4%	3%
Other Canada	0%	2%
International	0%	1%

Source: Sunset Country Economic Impact Study, Accommodation Operator Survey, 2001



tourism in the Lake of the Woods Area.

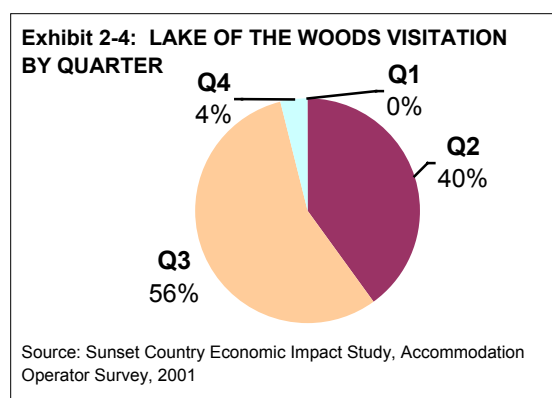
Almost all of Lake of the Woods Overnight Visitation occurs during Quarters 2 and 3

As shown in Exhibit 2-3, the majority of visitors to the Lake of the Woods area come during the third quarter. The second quarter accounts for a further 40% of total visitation. Operators indicated that they have no visitations during the first quarter and minimal 4% during the fourth quarter. When compared to the visitation for the overall Study Area, Lake of the Woods visitation follows a similar pattern but is more concentrated on the main fishing season occurring during Quarters 2 and 3. Visitation figures speak to the importance of the sport-fishing industry on tourism in the Lake of the Woods area.

Exhibit 2-3: VISITATION BY QUARTER

	Lake of the Woods	Overall Study Area
First Quarter	0%	5%
Second Quarter	40%	35%
Third Quarter	56%	52%
Fourth Quarter	4%	8%

Source: Sunset Country Economic Impact Study, Accommodation Operator Survey, 2001



Lake of the Wood Accommodation Owners made \$4.5 Million in Capital Improvements in 2001

As outlined in Exhibit 2-5, all Lake of the Woods survey respondents invested some \$4.5 Million into their properties

Exhibit 2-5: LAKE OF THE WOODS ACCOMMODATION CAPITAL EXPENDITURES in 2001

	Per Unit	Total (Millions)	%
Buildings & Renovations	\$2,406	\$1.9	42%
New Machinery & Equipment	\$2,246	\$1.8	40%
New Furniture & Fixtures	\$904	\$0.7	16%
Other Supplies	\$114	\$0.1	2%
Total Capital Expenditures	\$5,670	\$4.5	100%

Source: Sunset Country Economic Impact Study, Accommodation Operator Survey, 2001

in 2001 for capital improvements. Of this amount Buildings & Renovations and New Machinery & Equipment represented the majority of investment, each accounting for about 40% of the total capital expenditure. New Furniture & Fixtures accounted for 16% of total expenditures. On a per unit basis, Lake of the Wood accommodation owners spent \$5,670, approximately one-half of the

\$11,017 spend per unit by those undergoing capital improvements in the overall study region in 2001.

2.2 Lake of the Woods Area Commercial Accommodations 2001 Operating Statistics and Financial Results

Lake of the Woods Welcomed some 59,000 Visitors in 2001

As shown in Exhibit 2-6, fixed-roof accommodation providers surrounding Lake of the Woods achieved 58.9% occupancy during their 149 operating period while occupancy over a 365-day period was 24%. In comparison to the overall Sunset Country Travel Region, Lake of the Woods Area accommodation providers fared well in occupancy, slightly exceeding regional occupancy during the operating season while missing the regional average by 10% for the entire year, due to their shorter operating period. Lake of the Woods accommodation operators achieved a higher ADR at \$294.20 per unit in comparison to \$166.94 for Sunset Country. Overnight visitors to the Lake of the Woods area spent an average of 4.2 nights in the area and shared a unit with an average of 2.6 other people (3.6 people total). The Lake of the Woods area welcomed some 59,000 overnight visitors in 2001.

Exhibit 2-6: 2001 ACCOMMODATION OPERATING STATISTICS AND PERFORMANCE		
	Lake of the Woods	Overall Sunset Country
Occupied Unit Nights	68,855	819,182
Guest Visits	59,000	560,000
Operating Days	149	231
Occupancy (Operating Days)	58.9%	55.0%
Occupancy (365 Days)	24.0%	34.7%
Average Daily Rate (ADR) ¹	\$294.20	\$166.94
Revenue Per Available Unit (RevPAR) ²	\$173.41	\$91.80
¹ Includes only rooms revenue, with other package revenue allocated as per Exhibit 2-20. ² Revenue per Available Room on Average Operating Days for each Category Source: Sunset Country Economic Impact Study, Accommodation Operator Survey, 2001		

Lake of the Woods Accommodation Providers generated \$66,700 per Unit in Revenue

As shown in Exhibit 2-7, commercial accommodation providers in the Lake of the Woods area generated \$66,700 in revenues per available unit in 2001. This is significantly higher than that of the overall Sunset Country, by nearly 67%. Some of this discrepancy is due to the average size of a unit in the Lake of the Woods Area compared to the unit inventory in the overall region, which includes larger properties with hotel units. Specifically, unit rentals accounted for almost \$26,000 per unit or 39% of total revenue. Food and beverage was almost \$13,000 per unit or 19% of total revenue. Retail sales were \$7,700 per unit or 12% of revenue. Guest services exceeded \$10,000 per unit or 15% of total revenue, while other revenues accounted for 15% of revenue or nearly \$10,000 per unit.

Exhibit 2-7 LAKE OF THE WOODS AREA REVENUE PER UNIT					
	Lake of the Woods Area		Overall Sunset Country		
	\$ per Unit	%	\$ per Unit	%	
Rooms/Accommodation Rentals	\$25,839	39%	\$21,172	53%	
Food & Beverage	\$12,982	19%	\$4,454	11%	
Retail	\$7,707	12%	\$3,985	10%	
Merchandise	\$4,990	7%	\$2,048	5%	
Fuel & Gas	\$617	1%	\$1,053	3%	
Live & Frozen Bait	\$882	1%	\$287	1%	
Fishing & Hunting Licence	\$1,219	2%	\$596	1%	
Guest Services	\$10,248	15%	\$5,760	15%	
Boat & Motor	\$4,433	7%	\$1,595	4%	
Air Service	\$813	1%	\$2,657	7%	
Guiding Fees	\$4,643	7%	\$1,304	3%	
Marina Slip Rentals	\$361	1%	\$204	1%	
Other Revenue (incl. other pkg allocation)	\$9,909	15%	\$4,504	11%	
Rental (meeting room, equipment)	\$0	0%	\$118	0%	
TOTAL REVENUE	\$66,686	100%	\$39,994	100%	

Source: Sunset Country Economic Impact Study, Accommodation Operator Survey, 2001

Exhibit 2-8 presents accommodation revenue weighted to the Lake of the Woods Area unit inventory as defined in the study methodology. The 784 units included in the Lake of the Woods area boundary generated \$52.4 Million in revenue during their 2001 operating season. This represents 20% of the accommodation revenue generated by Sunset Country in 2001. Unit rentals contributed \$20.3 Million, food and beverage accounted for another \$10.2 Million, while retail, guest services and other revenue added \$6.1 Million, \$8.0 Million and \$7.8 Million, respectively. While no revenue was allocated to the rental category, revenue was generated from

fishing and hunting equipment rentals, accounted within the guest services and other revenue categories.

Exhibit 2-8 LAKE OF THE WOODS AREA REVENUE SUMMARY					
	Lake of the Woods Area		Overall Sunset Country		
	Total (Millions)	%	Total (Millions)	%	
Rooms/Accommodation Rentals	\$20.3	39%	\$136.7	53%	
Food & Beverage	\$10.2	19%	\$28.8	11%	
Retail	\$6.1	12%	\$25.7	10%	
Merchandise	\$3.9	7%	\$13.2	5%	
Fuel & Gas	\$0.5	1%	\$6.8	3%	
Live & Frozen Bait	\$0.7	1%	\$1.9	1%	
Fishing & Hunting Licence	\$1.0	2%	\$3.8	1%	
Guest Services	\$8.0	15%	\$37.2	15%	
Boat & Motor	\$3.5	7%	\$10.3	4%	
Air Service	\$0.6	1%	\$17.1	7%	
Guiding Fees	\$3.6	7%	\$8.5	3%	
Marina Slip Rentals	\$0.3	1%	\$1.3	1%	
Other Revenue (incl. other pkg allocation)	\$7.8	15%	\$29.1	11%	
Rental (meeting room, equipment)	\$0.0	0%	\$0.8	0%	
TOTAL REVENUE	\$52.4	100%	\$258.3	100%	

Source: Sunset Country Economic Impact Study, Accommodation Operator Survey, 2001

An Average Accommodation Unit in the Lake of the Woods Area generated \$6,200 in Profit

As shown in Exhibit 2-9, each unit in the Lake of the Woods Area generated \$6,200 in profit representing 9% of revenue during the 2001 operating season. This compares favorably with results for the overall Sunset Country Travel Region where an average unit generated \$5,500 in profit, however the average Sunset Country rental unit retained a higher percentage of revenue, with a 14% operating profit. This is likely due to the increased variable costs involved with operating larger units and to the remote nature of the Lake of the Woods area. As shown in Exhibit 2-10 the per unit net income weighted to the Lake of the Woods unit inventory was \$4.9 Million in 2001.

Salaries, wages and benefits cost accommodation providers \$16.2 Million or \$20,500 per unit accounting for 31% of revenue. Departmental expenses and undistributed expenses accounted for about \$15,000 per unit each, weighted to \$12 Million each. Accommodation providers within the Lake of the Woods area spent \$2,000 per unit or 120% more on advertising and marketing than did those in the overall Study Area. Energy costs on a per unit basis were 40% higher than that for the Sunset Country average. Lake of the Woods accommodation providers paid \$600,000 in property taxes and \$700,000 in insurance, combined accounting for 2% of revenue.

Mortgage and interest payments cost accommodation providers \$2.0 Million and lease payments tallied \$3.8 Million. Lake of the Woods accommodation operators spend 3 ½ more on lease payments per unit than did operators in the overall Sunset Country Travel Region.

Exhibit 2 -9 OPERATING EXPENSES AND NET INCOME PER UNIT				
	Lake of the Woods Area		Overall Sunset Country	
	\$ per Unit	% of Rev	\$ per Unit	% of Rev
SALARIES, WAGES & BENEFITS				
Salaries and Wages	\$14,938	22%	\$8,172	20%
Employee Benefits	\$1,848	3%	\$759	2%
Management Fees	\$3,796	6%	\$2,002	5%
Total Salaries, Wages & Benefits	\$20,583	31%	\$10,933	27%
DEPARTMENTAL EXPENSES				
Rooms/Accommodation	\$692	1%	\$919	2%
Food & Beverage	\$5,382	8%	\$2,094	5%
Retail	\$8,559	13%	\$4,703	13%
Merchandise Cost of Goods Sold	\$3,924	6%	\$1,844	5%
Fuel & Gas Cost of Goods Sold	\$2,860	4%	\$1,928	5%
Live & Frozen Bait Cost of Goods Sold	\$762	1%	\$312	1%
Fishing & Hunting Licence Cost	\$1,013	2%	\$620	2%
Guest Services	\$683	1%	\$1,830	5%
Other Supplies	\$408	1%	\$521	1%
Plane Expenses (Contractural Services)	\$275	0%	\$1,310	3%
Total Departmental Expenses	\$15,315	23%	\$9,547	24%
UNDISTRIBUTED OPERATING EXPENSES				
Administrative and General Expenses	\$1,862	3%	\$1,304	3%
Advertising and Marketing	\$3,843	6%	\$1,743	4%
Property Operation and Maintenance	\$5,783	9%	\$2,437	6%
Energy Costs	\$1,444	2%	\$1,036	3%
Other Unallocated Operated Departments	\$2,627	4%	\$1,911	5%
Total Undistributable Expenses	\$15,560	23%	\$8,432	21%
PROPERTY TAXES AND INSURANCE				
Property Taxes and Municipal Charges	\$713	1%	\$625	2%
Insurance (Building, Liability, Auto etc.)	\$868	1%	\$923	2%
Total Property Taxes and Insurance	\$1,580	2%	\$1,549	4%
NET INCOME BEFORE OTHER FIXED CHARGES	\$13,647	20%	\$9,532	24%
OTHER FIXED CHARGES				
Interest and Mortgage Charges	\$2,502	4%	\$2,565	6%
Lease Payment on Machinery & Equipment	\$4,885	7%	\$1,394	3%
Rent (Land & Building)	\$41	0%	\$98	0%
NET INCOME	\$6,219	9%	\$5,475	14%

Source: Northwestern Ontario Economic Impact Study, Accommodation Operator Survey, 2001

Exhibit 2 -10 OPERATIONAL EXPENSES AND NET INCOME SUMMARY				
	Lake of the Woods Area		Overall Sunset Country	
	Total (Millions)	% of Rev	Total (Millions)	% of Rev
SALARIES, WAGES & BENEFITS				
Salaries and Wages	\$11.7	22%	\$52.8	20%
Employee Benefits	\$1.5	3%	\$4.9	2%
Management Fees	\$3.0	6%	\$12.9	5%
Total Salaries, Wages & Benefits	\$16.2	31%	\$70.6	27%
DEPARTMENTAL EXPENSES				
Rooms/Accommodation	\$0.5	1%	\$5.9	2%
Food & Beverage	\$4.2	8%	\$13.5	5%
Retail	\$6.7	13%	\$30.4	13%
Merchandise Cost of Goods Sold	\$3.1	6%	\$11.9	5%
Fuel & Gas Cost of Goods Sold	\$2.2	4%	\$12.5	5%
Live & Frozen Bait Cost of Goods Sold	\$0.6	1%	\$2.0	1%
Fishing & Hunting Licence Cost	\$0.8	2%	\$4.0	2%
Guest Services	\$0.5	1%	\$11.9	5%
Other Supplies	\$0.3	1%	\$3.4	1%
Plane Expenses (Contractual Services)	\$0.2	0%	\$8.5	3%
Total Departmental Expenses	\$11.9	23%	\$61.7	25%
UNDISTRIBUTED OPERATING EXPENSES				
Administrative and General Expenses	\$1.5	3%	\$8.4	3%
Advertising and Marketing	\$3.0	6%	\$11.3	4%
Property Operation and Maintenance	\$4.5	9%	\$15.7	6%
Energy Costs	\$1.1	2%	\$6.7	3%
Other Unallocated Operated Departments	\$2.1	4%	\$12.3	5%
Total Undistributable Expenses	\$12.2	23%	\$54.4	21%
PROPERTY TAXES AND INSURANCE				
Property Taxes and Municipal Charges	\$0.6	1%	\$4.0	2%
Insurance (Building, Liability, Auto etc.)	\$0.7	1%	\$6.0	2%
Total Property Taxes and Insurance	\$1.3	2%	\$10.0	4%
NET INCOME BEFORE OTHER FIXED CHARGES	\$10.7	20%	\$61.7	24%
OTHER FIXED CHARGES				
Interest and Mortgage Charges	\$2.0	4%	\$16.6	6%
Lease Payment on Machinery & Equipment	\$3.8	7%	\$9.0	3%
Rent (Land & Building)	\$0.0	0%	\$0.6	0%
NET INCOME	\$4.9	9%	\$35.5	14%

Source: Sunset Country Economic Impact Study, Accommodation Operator Survey, 2001

3.0 ECONOMIC IMPACT OF TOURISM IN LAKE OF THE WOODS

3.1 Final tourism spending estimates - *Lake of the Woods*

The final spending figures used to assess the economic impact of tourism in the Lake of the Woods region were derived from the survey data of PKF Consulting as part of this study. While the survey data collected by PKF Consulting was assumed to represent a comprehensive assessment of activities provided by the accommodation sector (particularly in terms of unit rentals), the generation of complete estimates for other traditional tourism spending categories required additional effort.

Unlike the analysis conducted for the overall Sunset Country, tourism spending estimates for the Lake of the Woods region were not available using the geographic boundaries limitations of Statistics Canada's CTS and ITS. Because of this, estimates of tourism expenditures in the Lake of the Woods region by category (for all non-unit rental components) relied on the assumption that any differences in the composition of revenues compiled by the operators survey in the Lake of the Woods Region—relative to that compiled in the overall Sunset Country—is indicative of broader differences in the overall tourism spending profile for the region. For example, the estimated food and beverages revenues of surveyed businesses in the Lake of the Woods Region was \$12.8 million. Meanwhile, the estimate of food and beverage revenue of surveyed businesses in Sunset Country was \$38.5 million. This meant that food and beverage revenue of the surveyed businesses in the Lake of the Woods region was 33.2 per cent of the food and beverage revenues of businesses surveyed in the overall Sunset Country. Using our previously stated assumption, this meant that in order to derive overall tourism spending on food and beverages in the Lake of the Woods region we used 33.2 per cent of the estimated tourism spending on food and beverages in Sunset Country. As a point of reference, overall tourism food and beverage expenditures in Sunset Country were estimated to be \$77.5 million. Therefore, our estimate for tourism spending on food and beverages in the Lake of the Woods region is \$25.8 million (33.2% of \$77.5 million). This process was followed for all non-unit rental expense categories with the exception of public and local transportation.

Since the survey data collected from both the overall Sunset Country and the Lake of the Woods region did not uncover any revenues for public or local transportation, the relative share approach described could not be used. Instead, the relative share of the cumulative tourism spending (excl. public and local transportation) was used as a proxy for this spending item. Exhibit 3-1 illustrates the ratios used.

Exhibit 3.2 illustrates the resulting calculation of tourism spending in the Lake of the Woods Region using the ratios calculated in Exhibit 3.1.

Exhibit 3-1: Business Revenues estimated from Operators Survey			
Spending (\$000's)	Adjusted Business Revenue Sunset Country	Proportion in Lake of the Woods	Adjusted Business Revenue Lake of the Woods
Public & Local Transportation	\$0	0.216*	\$0
Private Transportation (incl. car rental)	\$23,900	0.046	\$1,100
Accommodation	\$136,700	0.149	\$20,300
Food & Beverages	\$38,500	0.332	\$12,800
Recreation & Entertainment	\$29,800	0.336	\$10,000
Retail & Miscellaneous	\$29,400	0.279	\$8,200
Total	\$258,300		\$52,400

Sources: Ontario Ministry of Tourism and Recreation, CTS/ITS Detailed Tables 2001; PKF International; Conference Board of Canada.
Note: * indicates the calculation was based on the overall proportion of all other spending items.

3.2 Tourism Economic Impact Analysis - *Lake of the Woods*

The previous section illustrated the approach that was used in generating the tourism spending estimates for the Lake of the Woods region. Similar to the process used for the overall Sunset Country, part of the overall tourism expenditures were captured by the Operators Survey. These figures were run separately through our Tourism Economic Assessment Model (TEAM) using a supply-side impact analysis. The tourism spending elements that were not captured through PKF International's operators survey were run through CTRI's TEAM using the more traditional demand side approach.

Exhibit 3-2: Tourism Expenditures in Lake of the Woods (using ratios captured through PKF International survey)			
Spending (\$000's)	Adjusted Visitor Spending Sunset Country	Proportion in Lake of the Woods	Adjusted Visitor Spending Lake of the Woods
Public & Local Transportation	\$17,472	0.216	\$3,775
Private Transportation (incl. car rental)	\$50,878	0.046	\$2,342
Accommodation	\$136,700	0.149	\$20,300
Food & Beverages	\$77,554	0.332	\$25,784
Recreation & Entertainment	\$53,540	0.336	\$17,966
Retail & Miscellaneous	\$39,044	0.279	\$10,890
Total	\$375,188		\$81,057

Sources: Ontario Ministry of Tourism and Recreation, CTS/ITS Detailed Tables 2001; PKF International; Conference Board of Canada.

In order to generate a complete economic impact assessment of tourism in the Lake of the Woods region meant that the two separate impact analysis (the supply-side analysis and the demand-side analysis) needed to be aggregated. Exhibit 3.3 illustrates the results of the overall impact analysis using this approach.

According to our analysis, tourism in the Lake of the Woods Region contributed nearly \$92 million in Gross Domestic Product to Ontario in 2001—\$63 million or 68% of which was retained in the local area. Our analysis suggests that tourism supports nearly \$37 million in total taxes distributed to federal, provincial and municipal governments. In addition, the current analysis indicates that tourism in the Lake of the Woods Region supports over 2,900 equivalent full-year jobs provincially and nearly 2,500 within the local region. These employees are estimated to draw an annual payroll of nearly \$60 Million provincially and \$44 million within the local region.

Of the total direct employment of operations surveyed by PKF Consulting, it was estimated that 148 (or 16.9%) equivalent full-year jobs were provided by First Nations.

3.3 Capital Spending Economic Impact Analysis - Lake of the Woods

In addition to tourism spending, capital expenditures incurred by accommodation operators in the Lake of the Woods region also provide economic benefits to the local area as well as other parts of Ontario. The survey data collected by the Operator Survey suggests that accommodation providers

Exhibit 3-3: ECONOMIC IMPACT OF TOURISM IN LAKE OF THE WOODS REGION, 2001			
TOURISM EXPENDITURES			
	in	Retained in	
	Lake of the Woods	Lake of the Woods	
	PROVINCIAL IMPACTS	REGIONAL IMPACTS	
Total Tourism Expenditures	\$81,056,932	\$81,056,932	
Gross Domestic Product			
Direct	\$30,104,889	\$30,104,889	
Indirect	\$35,396,193	\$19,923,823	
Induced	\$26,231,056	\$12,664,647	
Total	\$91,732,138	\$62,693,359	
Wages & Salaries			
Direct	\$21,594,221	\$21,594,221	
Indirect	\$24,182,640	\$15,427,620	
Induced	\$13,958,163	\$6,605,892	
Total	\$59,735,024	\$43,627,733	
Jobs (number)			
Direct	1,475	1,475	
Indirect	935	690	
Induced	522	305	
Total	2,933	2,470	
Taxes (Direct)			
Federal	\$7,442,952	\$7,442,952	
Provincial	\$6,389,465	\$6,389,465	
Municipal	\$1,868,416	\$1,868,416	
Total	\$15,700,833	\$15,700,833	
Taxes (Total)			
Federal	\$17,544,361	\$12,717,902	
Provincial	\$14,074,987	\$10,847,458	
Municipal	\$5,337,511	\$3,726,411	
Total	\$36,956,859	\$27,291,771	

Sources: PKF Consulting; Conference Board of Canada - TEAM.

in the Lake of the Woods region spent an average of \$5,670 per unit on capital expenditures in 2001. The most pronounced capital expenditure category was on building renovations, followed by new machinery and equipment. Overall, it was estimated that Lake of the Wood's accommodation providers spent \$4.5 million on capital improvements in 2001.

In order to generate an economic impact analysis, these capital spending figures were run through the Canadian Tourism Research Institute's Tourism Economic Assessment Model (TEAM).

According to this analysis, capital spending of accommodation operators in the Lake of the Woods region contributed over \$3.5 million in Gross Domestic Product to Ontario in 2001—nearly \$2.0 million (or 56%) of which was retained in the local area. This capital spending also supported nearly \$1.4 million in total taxes distributed to federal, provincial and municipal governments. It also supported nearly 80 equivalent full-year jobs provincially and over 50 within the local region. The combined payroll of these employees were estimated to exceeding \$2 million provincially and \$1.2 million within the local area.

Exhibit 3-4: ECONOMIC IMPACT OF CAPITAL SPENDING IN SUNSET COUNTRY, 2001		
	CAPITAL EXPENDITURES	
	in Lake of the Woods PROVINCIAL IMPACTS	Retained in Lake of the Woods REGIONAL IMPACTS
Total Tourism Expenditures	\$4,500,000	\$4,500,000
Gross Domestic Product		
Direct	\$1,045,923	\$1,043,563
Indirect	\$1,599,335	\$562,741
Induced	\$877,422	\$356,895
Total	\$3,522,680	\$1,963,199
Wages & Salaries		
Direct	\$643,403	\$642,556
Indirect	\$939,887	\$384,746
Induced	\$490,310	\$201,120
Total	\$2,073,600	\$1,228,422
Jobs (number)		
Direct	29	29
Indirect	30	15
Induced	18	9
Total	77	53
Taxes (Direct)		
Federal	\$283,635	\$283,381
Provincial	\$262,091	\$261,946
Municipal	\$34,007	\$33,967
Total	\$579,733	\$579,294
Taxes (Total)		
Federal	\$660,940	\$427,923
Provincial	\$548,959	\$387,350
Municipal	\$147,431	\$81,537
Total	\$1,357,330	\$896,810

Sources: PKF Consulting; Conference Board of Canada - TEAM.

APPENDICES

**APPENDIX A: DETAILED ECONOMIC IMPACT TABLES
TOURISM SPENDING IN LAKE OF THE WOODS**

Table #1(A) - Economic Impact Summary:			Ontario
(Dollars)			
	Total Ontario	Lake of the Woods	Rest of Ontario
Initial Expenditure	\$81,056,932	\$81,056,932	\$0
Gross Domestic Product			
<i>Direct Impact</i>	\$30,104,889	\$30,104,889	\$0
<i>Indirect Impact</i>	\$35,396,193	\$19,923,823	\$15,472,370
<i>Induced Impact</i>	\$26,231,056	\$12,664,647	\$13,566,408
<i>Total Impact</i>	\$91,732,138	\$62,693,359	\$29,038,778
<i>Total/Direct (A)</i>	3.05	2.08	
<i>Total/Initial (B)</i>	1.13	0.77	0.36
Wages & Salaries			
<i>Direct Impact</i>	\$21,594,221	\$21,594,221	\$0
<i>Indirect Impact</i>	\$24,182,640	\$15,427,620	\$8,755,020
<i>Induced Impact</i>	\$13,958,163	\$6,605,892	\$7,352,271
<i>Total Impact</i>	\$59,735,024	\$43,627,734	\$16,107,290
<i>Total/Direct (A)</i>	2.77	2.02	
<i>Total/Initial (B)</i>	0.74	0.54	0.20
Employment (Jobs)			
<i>Direct Impact</i>	1,475.2	1,475.2	0.0
<i>Indirect Impact</i>	935.2	689.5	245.7
<i>Induced Impact</i>	522.1	305.1	216.9
<i>Total Impact</i>	2,932.5	2,469.8	462.7
<i>Total/Direct (A)</i>	1.99	1.67	
<i>Total/1\$ Million (B)</i>	36.18	30.47	5.71
Industry Output			
<i>Direct & Indirect</i>	\$112,464,457	\$85,898,610	\$26,565,847
<i>Induced Impact</i>	\$56,786,607	\$24,453,599	\$32,333,008
<i>Total Impact</i>	\$169,251,064	\$110,352,209	\$58,898,855
<i>Total/Initial (B)</i>	2.09	1.36	0.73

Table #1(B) - Economic Impact Summary: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Initial Expenditure	\$81,056,932	\$81,056,932	\$0
Gross Domestic Product (at factor cost)			
<i>Direct Impact</i>	\$28,457,058	\$28,457,058	\$0
<i>Indirect Impact</i>	\$34,457,036	\$19,522,576	\$14,934,459
<i>Induced Impact</i>	\$24,894,835	\$11,811,747	\$13,083,089
<i>Total Impact</i>	\$87,808,929	\$59,791,381	\$28,017,548
<i>Total/Direct (A)</i>	3.09	2.10	0.98
<i>Total/Initial (B)</i>	1.08	0.74	0.35
Taxes			
<i>Direct Impact</i>	\$15,700,834	\$15,700,834	\$0
<i>Indirect Impact</i>	\$11,732,887	\$6,696,554	\$5,036,333
<i>Induced Impact</i>	\$9,523,138	\$4,894,383	\$4,628,755
<i>Total Impact</i>	\$36,956,859	\$27,291,771	\$9,665,088
<i>Total/Direct (A)</i>	2.35	1.74	0.62
<i>Total/Initial (B)</i>	0.46	0.34	0.12
Imports			
<i>Direct Impact</i>	\$0	\$0	\$0
<i>Indirect Impact</i>	\$13,937,089	\$2,959,798	\$10,977,291
<i>Induced Impact</i>	\$11,112,242	\$1,914,488	\$9,197,754
<i>Total Impact</i>	\$25,049,331	\$4,874,286	\$20,175,045
<i>Total/Initial (B)</i>	0.31	0.06	0.25

Table #2 - GDP (Direct) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$0	\$0	\$0
<i>Fishing & Trapping</i>	\$0	\$0	\$0
<i>Logging & Forestry</i>	\$0	\$0	\$0
<i>Mining</i>	\$0	\$0	\$0
<i>Manufacturing</i>	\$0	\$0	\$0
<i>Construction</i>	\$0	\$0	\$0
<i>Transport. & Storage</i>	\$1,793,420	\$1,793,420	\$0
<i>Energy & Other Utilities</i>	\$0	\$0	\$0
<i>Wholesale Trade</i>	\$0	\$0	\$0
<i>Retail Trade</i>	\$1,508,341	\$1,508,341	\$0
<i>F.I.R.</i>	\$0	\$0	\$0
<i>Owner-Occupied Dwelling</i>	\$0	\$0	\$0
<i>Services</i>	\$26,803,128	\$26,803,128	\$0
<i>Total</i>	\$30,104,889	\$30,104,889	\$0

Table #3 - GDP (Direct,Indirect) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$611,000	\$93,771	\$517,228
<i>Fishing & Trapping</i>	\$34,876	\$4,055	\$30,821
<i>Logging & Forestry</i>	\$12,158	\$539	\$11,619
<i>Mining</i>	\$117,077	\$9,002	\$108,076
<i>Manufacturing</i>	\$6,833,298	\$485,109	\$6,348,189
<i>Construction</i>	\$252,281	\$252,281	\$0
<i>Transport. & Storage</i>	\$3,307,831	\$3,227,742	\$80,088
<i>Energy & Other Utilities</i>	\$2,592,052	\$191,616	\$2,400,436
<i>Wholesale Trade</i>	\$1,426,421	\$376,190	\$1,050,232
<i>Retail Trade</i>	\$4,738,965	\$4,738,965	\$0
<i>F.I.R.</i>	\$7,615,865	\$2,726,924	\$4,888,942
<i>Owner-Occupied Dwelling</i>	\$0	\$0	\$0
<i>Services</i>	\$37,959,258	\$37,922,518	\$36,739
<i>Total</i>	\$65,501,082	\$50,028,712	\$15,472,370

Table #4 - GDP (Direct,Indirect,Induced) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$946,616	\$127,690	\$818,926
<i>Fishing & Trapping</i>	\$94,578	\$10,944	\$83,634
<i>Logging & Forestry</i>	\$19,772	\$874	\$18,898
<i>Mining</i>	\$296,657	\$14,215	\$282,442
<i>Manufacturing</i>	\$12,322,043	\$711,508	\$11,610,535
<i>Construction</i>	\$430,963	\$398,779	\$32,184
<i>Transport. & Storage</i>	\$5,030,318	\$4,548,526	\$481,792
<i>Energy & Other Utilities</i>	\$5,118,278	\$348,322	\$4,769,956
<i>Wholesale Trade</i>	\$2,383,193	\$674,158	\$1,709,034
<i>Retail Trade</i>	\$8,154,757	\$7,539,827	\$614,930
<i>F.I.R.</i>	\$11,195,101	\$4,047,374	\$7,147,726
<i>Owner-Occupied Dwelling</i>	\$4,149,418	\$3,396,668	\$752,751
<i>Services</i>	\$41,590,445	\$40,874,475	\$715,969
<i>Total</i>	\$91,732,138	\$62,693,359	\$29,038,778

Table #5 - Wages (Direct) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$0	\$0	\$0
<i>Fishing & Trapping</i>	\$0	\$0	\$0
<i>Logging & Forestry</i>	\$0	\$0	\$0
<i>Mining</i>	\$0	\$0	\$0
<i>Manufacturing</i>	\$0	\$0	\$0
<i>Construction</i>	\$0	\$0	\$0
<i>Transport. & Storage</i>	\$1,394,942	\$1,394,942	\$0
<i>Energy & Other Utilities</i>	\$0	\$0	\$0
<i>Wholesale Trade</i>	\$0	\$0	\$0
<i>Retail Trade</i>	\$1,074,110	\$1,074,110	\$0
<i>F.I.R.</i>	\$0	\$0	\$0
<i>Owner-Occupied Dwelling</i>	\$0	\$0	\$0
<i>Services</i>	\$19,125,169	\$19,125,169	\$0
<i>Total</i>	\$21,594,221	\$21,594,221	\$0

**Table #6 - Wages (Direct,Indirect) for Province:
(Dollars)****Ontario**

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$289,174	\$44,380	\$244,794
<i>Fishing & Trapping</i>	\$29,899	\$3,476	\$26,422
<i>Logging & Forestry</i>	\$7,770	\$345	\$7,425
<i>Mining</i>	\$46,884	\$3,605	\$43,280
<i>Manufacturing</i>	\$3,685,787	\$264,177	\$3,421,610
<i>Construction</i>	\$138,514	\$138,514	\$0
<i>Transport. & Storage</i>	\$2,562,469	\$2,510,063	\$52,405
<i>Energy & Other Utilities</i>	\$1,174,197	\$69,867	\$1,104,330
<i>Wholesale Trade</i>	\$511,215	\$134,823	\$376,392
<i>Retail Trade</i>	\$3,374,682	\$3,374,682	\$0
<i>F.I.R.</i>	\$5,555,126	\$2,091,250	\$3,463,877
<i>Owner-Occupied Dwelling</i>	\$0	\$0	\$0
<i>Services</i>	\$28,401,145	\$28,386,661	\$14,484
<i>Total</i>	\$45,776,861	\$37,021,842	\$8,755,020

Table #7 - Wages (Direct,Indirect,Induced) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$448,015	\$60,433	\$387,582
<i>Fishing & Trapping</i>	\$81,082	\$9,382	\$71,699
<i>Logging & Forestry</i>	\$12,635	\$558	\$12,077
<i>Mining</i>	\$118,798	\$5,692	\$113,106
<i>Manufacturing</i>	\$6,665,959	\$388,315	\$6,277,645
<i>Construction</i>	\$236,618	\$218,948	\$17,671
<i>Transport. & Storage</i>	\$3,885,766	\$3,536,547	\$349,219
<i>Energy & Other Utilities</i>	\$2,349,465	\$127,343	\$2,222,122
<i>Wholesale Trade</i>	\$854,112	\$241,611	\$612,500
<i>Retail Trade</i>	\$5,807,113	\$5,369,213	\$437,900
<i>F.I.R.</i>	\$8,157,457	\$3,065,194	\$5,092,263
<i>Owner-Occupied Dwelling</i>	\$0	\$0	\$0
<i>Services</i>	\$31,118,004	\$30,604,497	\$513,507
<i>Total</i>	\$59,735,024	\$43,627,734	\$16,107,290

Table #8 - Employment (Direct) for Province: Ontario
(Jobs)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	0.0	0.0	0.0
<i>Fishing & Trapping</i>	0.0	0.0	0.0
<i>Logging & Forestry</i>	0.0	0.0	0.0
<i>Mining</i>	0.0	0.0	0.0
<i>Manufacturing</i>	0.0	0.0	0.0
<i>Construction</i>	0.0	0.0	0.0
<i>Transport. & Storage</i>	40.8	40.8	0.0
<i>Energy & Other Utilities</i>	0.0	0.0	0.0
<i>Wholesale Trade</i>	0.0	0.0	0.0
<i>Retail Trade</i>	56.3	56.3	0.0
<i>F.I.R.</i>	0.0	0.0	0.0
<i>Owner-Occupied Dwelling</i>	0.0	0.0	0.0
<i>Services</i>	1,378.1	1,378.1	0.0
<i>Total</i>	1,475.2	1,475.2	0.0

Table #9 - Employment (Direct,Indirect) for Province: Ontario
(Jobs)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	17.1	2.5	14.6
<i>Fishing & Trapping</i>	1.2	0.1	1.1
<i>Logging & Forestry</i>	0.3	0.0	0.3
<i>Mining</i>	0.9	0.1	0.8
<i>Manufacturing</i>	117.9	8.9	109.0
<i>Construction</i>	5.3	5.3	0.0
<i>Transport. & Storage</i>	75.2	73.8	1.4
<i>Energy & Other Utilities</i>	26.5	1.7	24.8
<i>Wholesale Trade</i>	15.4	5.1	10.3
<i>Retail Trade</i>	176.9	176.9	0.0
<i>F.I.R.</i>	151.0	68.1	82.9
<i>Owner-Occupied Dwelling</i>	0.0	0.0	0.0
<i>Services</i>	1,822.6	1,822.2	0.4
<i>Total</i>	2,410.4	2,164.7	245.7

Table #10 - Employment (Direct,Indirect,Induced) for Province: Ontario
(Jobs)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	26.6	3.4	23.2
<i>Fishing & Trapping</i>	3.2	0.3	3.0
<i>Logging & Forestry</i>	0.5	0.0	0.5
<i>Mining</i>	2.4	0.1	2.3
<i>Manufacturing</i>	202.0	12.7	189.4
<i>Construction</i>	9.0	8.4	0.6
<i>Transport. & Storage</i>	113.6	104.2	9.5
<i>Energy & Other Utilities</i>	53.4	3.2	50.3
<i>Wholesale Trade</i>	25.9	9.1	16.8
<i>Retail Trade</i>	303.6	281.4	22.1
<i>F.I.R.</i>	220.8	99.0	121.8
<i>Owner-Occupied Dwelling</i>	0.0	0.0	0.0
<i>Services</i>	1,971.4	1,948.0	23.3
<i>Total</i>	2,932.5	2,469.8	462.7

Table #11 - Specific Service Sector (Direct) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
GDP			
<i>Accommodation</i>	\$18,800,000	\$18,800,000	\$0
<i>Restaurants</i>	\$3,084,746	\$3,084,746	\$0
<i>Recreation</i>	\$4,847,440	\$4,847,440	\$0
<i>Other Services</i>	\$70,942	\$70,942	\$0
WAGES			
<i>Accommodation</i>	\$13,200,000	\$13,200,000	\$0
<i>Restaurants</i>	\$2,480,776	\$2,480,776	\$0
<i>Recreation</i>	\$3,394,712	\$3,394,712	\$0
<i>Other Services</i>	\$49,681	\$49,681	\$0
EMPLOYMENT (Jobs)			
<i>Accommodation</i>	873.5	873.5	0.0
<i>Restaurants</i>	212.4	212.4	0.0
<i>Recreation</i>	290.0	290.0	0.0
<i>Other Services</i>	2.2	2.2	0.0

Table #12 - Specific Service Sector (Direct,Indirect) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
GDP			
<i>Accommodation</i>	\$18,800,000	\$18,800,000	\$0
<i>Restaurants</i>	\$3,258,494	\$3,258,494	(\$0)
<i>Recreation</i>	\$5,131,969	\$5,131,969	\$0
<i>Other Services</i>	\$10,768,795	\$10,732,055	\$36,739
WAGES			
<i>Accommodation</i>	\$13,200,000	\$13,200,000	\$0
<i>Restaurants</i>	\$2,616,498	\$2,616,498	\$0
<i>Recreation</i>	\$3,593,970	\$3,593,970	\$0
<i>Other Services</i>	\$8,990,677	\$8,976,194	\$14,484
EMPLOYMENT (Jobs)			
<i>Accommodation</i>	873.5	873.5	0.0
<i>Restaurants</i>	223.9	223.9	0.0
<i>Recreation</i>	307.4	307.4	0.0
<i>Other Services</i>	417.8	417.4	0.4

Table #13 - Specific Service Sector (Direct,Indirect,Induced) for Province Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
GDP			
<i>Accommodation</i>	\$18,800,000	\$18,800,000	\$0
<i>Restaurants</i>	\$3,954,987	\$3,829,731	\$125,256
<i>Recreation</i>	\$5,236,258	\$5,217,495	\$18,763
<i>Other Services</i>	\$13,599,200	\$13,027,249	\$571,951
WAGES			
<i>Accommodation</i>	\$13,200,000	\$13,200,000	\$0
<i>Restaurants</i>	\$3,147,284	\$3,051,829	\$95,455
<i>Recreation</i>	\$3,667,005	\$3,653,865	\$13,140
<i>Other Services</i>	\$11,103,715	\$10,698,803	\$404,912
EMPLOYMENT (Jobs)			
<i>Accommodation</i>	873.5	873.5	0.0
<i>Restaurants</i>	269.0	261.1	7.9
<i>Recreation</i>	313.3	312.7	0.7
<i>Other Services</i>	515.5	500.8	14.7

Table #14 -Taxes (Direct):			Ontario
(Dollars)			
	Total Ontario	Lake of the Woods	Rest of Ontario

<i>Personal Income Tax</i>	\$1,550,605	\$1,550,605	\$0
<i>Corporate Income Tax</i>	\$446,049	\$446,049	\$0
<i>CPP & EI</i>	\$2,769,397	\$2,769,397	\$0
<i>Excise</i>	\$215,473	\$215,473	\$0
<i>Property (Personal)</i>	\$747,297	\$747,297	\$0
<i>Property (Business)</i>	\$1,121,119	\$1,121,119	\$0
<i>GST</i>	\$4,498,215	\$4,498,215	\$0
<i>PST</i>	\$4,352,679	\$4,352,679	\$0
<i>Total</i>	\$15,700,834	\$15,700,834	\$0
<i>Federal</i>	\$7,442,952	\$7,442,952	\$0
<i>Provincial</i>	\$6,389,465	\$6,389,465	\$0
<i>Municipal</i>	\$1,868,416	\$1,868,416	\$0
<i>Total</i>	\$15,700,834	\$15,700,834	\$0

Table #15 -Taxes (Direct,Indirect): **Ontario**
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
<i>Personal Income Tax</i>	\$5,758,330	\$3,931,857	\$1,826,473
<i>Corporate Income Tax</i>	\$2,870,842	\$1,559,803	\$1,311,039
<i>CPP & EI</i>	\$5,221,151	\$4,470,048	\$751,103
<i>Excise</i>	\$614,639	\$442,540	\$172,099
<i>Property (Personal)</i>	\$1,663,048	\$1,281,010	\$382,038
<i>Property (Business)</i>	\$2,454,817	\$1,861,237	\$593,581
<i>GST</i>	\$4,498,215	\$4,498,215	\$0
<i>PST</i>	\$4,352,679	\$4,352,679	\$0
<i>Total</i>	\$27,433,721	\$22,397,388	\$5,036,333
<i>Federal</i>	\$13,190,875	\$10,672,784	\$2,518,091
<i>Provincial</i>	\$10,124,981	\$8,582,357	\$1,542,624
<i>Municipal</i>	\$4,117,865	\$3,142,247	\$975,618
<i>Total</i>	\$27,433,721	\$22,397,388	\$5,036,333

Table #16 -Taxes (Initial,Direct,Indirect,Induced): **Ontario**
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
<i>Personal Income Tax</i>	\$8,248,191	\$4,927,765	\$3,320,426
<i>Corporate Income Tax</i>	\$4,475,743	\$2,028,453	\$2,447,290
<i>CPP & EI</i>	\$6,600,568	\$5,201,653	\$1,398,915
<i>Excise</i>	\$850,779	\$538,466	\$312,313
<i>Property (Personal)</i>	\$2,213,858	\$1,509,494	\$704,364
<i>Property (Business)</i>	\$3,123,653	\$2,216,917	\$906,736
<i>GST</i>	\$5,394,248	\$5,195,516	\$198,732
<i>PST</i>	\$6,049,819	\$5,673,507	\$376,312
<i>Total</i>	\$36,956,859	\$27,291,771	\$9,665,088
<i>Federal</i>	\$17,544,361	\$12,717,902	\$4,826,458
<i>Provincial</i>	\$14,074,987	\$10,847,458	\$3,227,530
<i>Municipal</i>	\$5,337,511	\$3,726,411	\$1,611,100
<i>Total</i>	\$36,956,859	\$27,291,771	\$9,665,088

**APPENDIX A: DETAILED ECONOMIC IMPACT TABLES CAPITAL EXPENDITURES BY
FIXED ROOF ACCOMMODATION OPERATORS IN LAKE OF THE
WOODS**

Table #1(A) - Economic Impact Summary: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Initial Expenditure	\$4,500,000	\$4,500,000	\$0
Gross Domestic Product			
<i>Direct Impact</i>	\$1,045,923	\$1,043,563	\$2,360
<i>Indirect Impact</i>	\$1,599,335	\$562,741	\$1,036,594
<i>Induced Impact</i>	\$877,422	\$356,895	\$520,527
<i>Total Impact</i>	\$3,522,680	\$1,963,199	\$1,559,481
<i>Total/Direct (A)</i>	3.37	1.88	
<i>Total/Initial (B)</i>	0.78	0.44	0.35
Wages & Salaries			
<i>Direct Impact</i>	\$643,403	\$642,556	\$847
<i>Indirect Impact</i>	\$939,887	\$384,746	\$555,141
<i>Induced Impact</i>	\$490,310	\$201,120	\$289,190
<i>Total Impact</i>	\$2,073,600	\$1,228,422	\$845,178
<i>Total/Direct (A)</i>	3.22	1.91	
<i>Total/Initial (B)</i>	0.46	0.27	0.19
Employment (Jobs)			
<i>Direct Impact</i>	29.0	29.0	0.0
<i>Indirect Impact</i>	29.8	14.5	15.2
<i>Induced Impact</i>	18.2	9.2	9.0
<i>Total Impact</i>	77.0	52.8	24.2
<i>Total/Direct (A)</i>	2.65	1.82	
<i>Total/\$ Million (B)</i>	17.12	11.73	5.38
Industry Output			
<i>Direct & Indirect</i>	\$6,911,735	\$4,197,076	\$2,714,659
<i>Induced Impact</i>	\$1,913,487	\$698,848	\$1,214,639
<i>Total Impact</i>	\$8,825,222	\$4,895,923	\$3,929,299
<i>Total/Initial (B)</i>	1.96	1.09	0.87

Table #1(B) - Economic Impact Summary: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Initial Expenditure	\$4,500,000	\$4,500,000	\$0
Gross Domestic Product (at factor cost)			
<i>Direct Impact</i>	\$1,020,381	\$1,018,107	\$2,274
<i>Indirect Impact</i>	\$1,560,186	\$544,241	\$1,015,945
<i>Induced Impact</i>	\$835,344	\$334,648	\$500,697
<i>Total Impact</i>	\$3,415,911	\$1,896,996	\$1,518,916
<i>Total/Direct (A)</i>	3.35	1.86	1.48
<i>Total/Initial (B)</i>	0.76	0.42	0.34
Taxes			
<i>Direct Impact</i>	\$579,732	\$579,293	\$439
<i>Indirect Impact</i>	\$442,087	\$169,079	\$273,008
<i>Induced Impact</i>	\$335,511	\$148,438	\$187,073
<i>Total Impact</i>	\$1,357,330	\$896,810	\$460,519
<i>Total/Direct (A)</i>	2.34	1.55	0.79
<i>Total/Initial (B)</i>	0.30	0.20	0.10
Imports			
<i>Direct Impact</i>	\$0	\$0	\$0
<i>Indirect Impact</i>	\$1,854,742	\$377,439	\$1,477,303
<i>Induced Impact</i>	\$379,346	\$70,654	\$308,692
<i>Total Impact</i>	\$2,234,088	\$448,093	\$1,785,994
<i>Total/Initial (B)</i>	0.50	0.10	0.40

Table #2 - GDP (Direct) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$0	\$0	\$0
<i>Fishing & Trapping</i>	\$0	\$0	\$0
<i>Logging & Forestry</i>	\$0	\$0	\$0
<i>Mining</i>	\$0	\$0	\$0
<i>Manufacturing</i>	\$0	\$0	\$0
<i>Construction</i>	\$616,561	\$616,561	\$0
<i>Transport. & Storage</i>	\$544	\$544	\$0
<i>Energy & Other Utilities</i>	\$2,641	\$281	\$2,360
<i>Wholesale Trade</i>	\$0	\$0	\$0
<i>Retail Trade</i>	\$420,252	\$420,252	\$0
<i>F.I.R.</i>	\$0	\$0	\$0
<i>Owner-Occupied Dwelling</i>	\$0	\$0	\$0
<i>Services</i>	\$5,926	\$5,926	\$0
<i>Total</i>	\$1,045,923	\$1,043,563	\$2,360

Table #3 - GDP (Direct,Indirect) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$19,364	\$3,002	\$16,361
<i>Fishing & Trapping</i>	\$5,038	\$585	\$4,453
<i>Logging & Forestry</i>	\$0	\$0	\$0
<i>Mining</i>	\$41,463	\$3,702	\$37,761
<i>Manufacturing</i>	\$804,430	\$111,853	\$692,577
<i>Construction</i>	\$626,964	\$626,964	\$0
<i>Transport. & Storage</i>	\$156,855	\$152,233	\$4,622
<i>Energy & Other Utilities</i>	\$90,353	\$5,809	\$84,544
<i>Wholesale Trade</i>	\$138,655	\$36,607	\$102,048
<i>Retail Trade</i>	\$446,421	\$446,421	\$0
<i>F.I.R.</i>	\$149,855	\$54,306	\$95,549
<i>Owner-Occupied Dwelling Services</i>	\$0	\$0	\$0
	\$165,860	\$164,821	\$1,039
<i>Total</i>	\$2,645,258	\$1,606,304	\$1,038,954

Table #4 - GDP (Direct,Indirect,Induced) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$30,454	\$3,981	\$26,473
<i>Fishing & Trapping</i>	\$7,033	\$815	\$6,217
<i>Logging & Forestry</i>	\$236	\$10	\$225
<i>Mining</i>	\$47,475	\$3,867	\$43,608
<i>Manufacturing</i>	\$992,383	\$119,804	\$872,579
<i>Construction</i>	\$632,893	\$631,146	\$1,748
<i>Transport. & Storage</i>	\$215,225	\$191,081	\$24,144
<i>Energy & Other Utilities</i>	\$173,438	\$10,397	\$163,041
<i>Wholesale Trade</i>	\$171,260	\$45,374	\$125,886
<i>Retail Trade</i>	\$564,374	\$529,607	\$34,767
<i>F.I.R.</i>	\$288,366	\$98,272	\$190,094
<i>Owner-Occupied Dwelling</i>	\$106,559	\$75,150	\$31,409
<i>Services</i>	\$292,984	\$253,695	\$39,289
<i>Total</i>	\$3,522,680	\$1,963,199	\$1,559,481

Table #5 - Wages (Direct) for Province:
(Dollars)

Ontario

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$0	\$0	\$0
<i>Fishing & Trapping</i>	\$0	\$0	\$0
<i>Logging & Forestry</i>	\$0	\$0	\$0
<i>Mining</i>	\$0	\$0	\$0
<i>Manufacturing</i>	\$0	\$0	\$0
<i>Construction</i>	\$338,519	\$338,519	\$0
<i>Transport. & Storage</i>	\$423	\$423	\$0
<i>Energy & Other Utilities</i>	\$947	\$101	\$847
<i>Wholesale Trade</i>	\$0	\$0	\$0
<i>Retail Trade</i>	\$299,267	\$299,267	\$0
<i>F.I.R.</i>	\$0	\$0	\$0
<i>Owner-Occupied Dwelling</i>	\$0	\$0	\$0
<i>Services</i>	\$4,246	\$4,246	\$0
<i>Total</i>	\$643,403	\$642,556	\$847

**Table #6 - Wages (Direct,Indirect) for Province:
(Dollars)**

Ontario

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$9,165	\$1,421	\$7,744
<i>Fishing & Trapping</i>	\$4,319	\$502	\$3,817
<i>Logging & Forestry</i>	\$0	\$0	\$0
<i>Mining</i>	\$16,604	\$1,482	\$15,122
<i>Manufacturing</i>	\$440,797	\$61,333	\$379,464
<i>Construction</i>	\$344,232	\$344,232	\$0
<i>Transport. & Storage</i>	\$121,404	\$118,380	\$3,024
<i>Energy & Other Utilities</i>	\$43,469	\$2,136	\$41,334
<i>Wholesale Trade</i>	\$49,693	\$13,120	\$36,573
<i>Retail Trade</i>	\$317,903	\$317,903	\$0
<i>F.I.R.</i>	\$110,290	\$41,789	\$68,501
<i>Owner-Occupied Dwelling Services</i>	\$0	\$0	\$0
	\$125,415	\$125,006	\$409
<i>Total</i>	\$1,583,290	\$1,027,302	\$555,988

Table #7 - Wages (Direct,Indirect,Induced) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	\$14,413	\$1,884	\$12,529
<i>Fishing & Trapping</i>	\$6,029	\$699	\$5,330
<i>Logging & Forestry</i>	\$151	\$7	\$144
<i>Mining</i>	\$19,012	\$1,548	\$17,463
<i>Manufacturing</i>	\$542,932	\$65,693	\$477,239
<i>Construction</i>	\$347,487	\$346,527	\$959
<i>Transport. & Storage</i>	\$166,253	\$148,568	\$17,685
<i>Energy & Other Utilities</i>	\$82,121	\$3,823	\$78,298
<i>Wholesale Trade</i>	\$61,378	\$16,262	\$45,116
<i>Retail Trade</i>	\$401,898	\$377,140	\$24,758
<i>F.I.R.</i>	\$211,011	\$74,221	\$136,790
<i>Owner-Occupied Dwelling</i>	\$0	\$0	\$0
<i>Services</i>	\$220,917	\$192,050	\$28,867
<i>Total</i>	\$2,073,600	\$1,228,422	\$845,178

Table #8 - Employment (Direct) for Province: Ontario
(Jobs)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	0.0	0.0	0.0
<i>Fishing & Trapping</i>	0.0	0.0	0.0
<i>Logging & Forestry</i>	0.0	0.0	0.0
<i>Mining</i>	0.0	0.0	0.0
<i>Manufacturing</i>	0.0	0.0	0.0
<i>Construction</i>	13.0	13.0	0.0
<i>Transport. & Storage</i>	0.0	0.0	0.0
<i>Energy & Other Utilities</i>	0.0	0.0	0.0
<i>Wholesale Trade</i>	0.0	0.0	0.0
<i>Retail Trade</i>	15.7	15.7	0.0
<i>F.I.R.</i>	0.0	0.0	0.0
<i>Owner-Occupied Dwelling</i>	0.0	0.0	0.0
<i>Services</i>	0.3	0.3	0.0
<i>Total</i>	29.0	29.0	0.0

Table #9 - Employment (Direct,Indirect) for Province: Ontario
(Jobs)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	0.5	0.1	0.5
<i>Fishing & Trapping</i>	0.2	0.0	0.2
<i>Logging & Forestry</i>	0.0	0.0	0.0
<i>Mining</i>	0.4	0.0	0.4
<i>Manufacturing</i>	12.4	1.8	10.6
<i>Construction</i>	13.2	13.2	0.0
<i>Transport. & Storage</i>	3.6	3.5	0.1
<i>Energy & Other Utilities</i>	1.0	0.1	1.0
<i>Wholesale Trade</i>	1.5	0.5	1.0
<i>Retail Trade</i>	16.7	16.7	0.0
<i>F.I.R.</i>	3.0	1.4	1.6
<i>Owner-Occupied Dwelling</i>	0.0	0.0	0.0
<i>Services</i>	6.3	6.3	0.0
<i>Total</i>	58.8	43.6	15.2

Table #10 - Employment (Direct,Indirect,Induced) for Province: Ontario
(Jobs)

	Total Ontario	Lake of the Woods	Rest of Ontario
Industry Breakdown			
<i>Agriculture</i>	0.9	0.1	0.7
<i>Fishing & Trapping</i>	0.2	0.0	0.2
<i>Logging & Forestry</i>	0.0	0.0	0.0
<i>Mining</i>	0.5	0.0	0.4
<i>Manufacturing</i>	15.3	1.9	13.4
<i>Construction</i>	13.4	13.3	0.0
<i>Transport. & Storage</i>	4.9	4.4	0.5
<i>Energy & Other Utilities</i>	1.9	0.1	1.8
<i>Wholesale Trade</i>	1.9	0.6	1.2
<i>Retail Trade</i>	21.0	19.8	1.3
<i>F.I.R.</i>	5.7	2.4	3.3
<i>Owner-Occupied Dwelling</i>	0.0	0.0	0.0
<i>Services</i>	11.5	10.1	1.4
<i>Total</i>	77.0	52.8	24.2

Table #11 - Specific Service Sector (Direct) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
GDP			
<i>Accommodation</i>	\$0	\$0	\$0
<i>Restaurants</i>	\$651	\$651	\$0
<i>Recreation</i>	\$1,458	\$1,458	\$0
<i>Other Services</i>	\$3,816	\$3,816	\$0
WAGES			
<i>Accommodation</i>	\$0	\$0	\$0
<i>Restaurants</i>	\$524	\$524	\$0
<i>Recreation</i>	\$1,021	\$1,021	\$0
<i>Other Services</i>	\$2,701	\$2,701	\$0
EMPLOYMENT (Jobs)			
<i>Accommodation</i>	0.0	0.0	0.0
<i>Restaurants</i>	0.0	0.0	0.0
<i>Recreation</i>	0.1	0.1	0.0
<i>Other Services</i>	0.2	0.2	0.0

Table #12 - Specific Service Sector (Direct,Indirect) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
GDP			
<i>Accommodation</i>	\$0	\$0	\$0
<i>Restaurants</i>	\$6,871	\$6,871	\$0
<i>Recreation</i>	\$5,861	\$5,861	\$0
<i>Other Services</i>	\$153,127	\$152,088	\$1,039
WAGES			
<i>Accommodation</i>	\$0	\$0	\$0
<i>Restaurants</i>	\$5,237	\$5,237	\$0
<i>Recreation</i>	\$4,105	\$4,105	\$0
<i>Other Services</i>	\$116,073	\$115,664	\$409
EMPLOYMENT (Jobs)			
<i>Accommodation</i>	0.0	0.0	0.0
<i>Restaurants</i>	0.4	0.4	0.0
<i>Recreation</i>	0.4	0.4	0.0
<i>Other Services</i>	5.5	5.5	0.0

Table #13 - Specific Service Sector (Direct,Indirect,Induced) for Province: Ontario
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
GDP			
<i>Accommodation</i>	\$0	\$0	\$0
<i>Restaurants</i>	\$32,091	\$24,658	\$7,434
<i>Recreation</i>	\$9,413	\$8,366	\$1,047
<i>Other Services</i>	\$251,480	\$220,671	\$30,809
WAGES			
<i>Accommodation</i>	\$0	\$0	\$0
<i>Restaurants</i>	\$24,456	\$18,791	\$5,665
<i>Recreation</i>	\$6,592	\$5,859	\$733
<i>Other Services</i>	\$189,869	\$167,400	\$22,468
EMPLOYMENT (Jobs)			
<i>Accommodation</i>	0.0	0.0	0.0
<i>Restaurants</i>	2.1	1.6	0.5
<i>Recreation</i>	0.6	0.5	0.0
<i>Other Services</i>	8.8	8.0	0.8

Table #14 -Taxes (Direct):
(Dollars)

Ontario

	Total Ontario	Lake of the Woods	Rest of Ontario
<i>Personal Income Tax</i>	\$96,196	\$95,990	\$205
<i>Corporate Income Tax</i>	\$32,403	\$32,286	\$117
<i>CPP & EI</i>	\$72,251	\$72,193	\$58
<i>Excise</i>	\$9,006	\$8,987	\$19
<i>Property (Personal)</i>	\$22,285	\$22,247	\$38
<i>Property (Business)</i>	\$11,722	\$11,720	\$2
<i>GST</i>	\$157,791	\$157,791	\$0
<i>PST</i>	\$178,079	\$178,079	\$0
<i>Total</i>	\$579,732	\$579,293	\$439
<i>Federal</i>	\$283,635	\$283,381	\$254
<i>Provincial</i>	\$262,091	\$261,946	\$145
<i>Municipal</i>	\$34,007	\$33,967	\$40
<i>Total</i>	\$579,732	\$579,293	\$439

Table #15 -Taxes (Direct,Indirect): **Ontario**
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
<i>Personal Income Tax</i>	\$280,061	\$163,114	\$116,948
<i>Corporate Income Tax</i>	\$117,401	\$59,632	\$57,769
<i>CPP & EI</i>	\$158,606	\$111,109	\$47,497
<i>Excise</i>	\$26,542	\$15,471	\$11,072
<i>Property (Personal)</i>	\$58,975	\$35,574	\$23,401
<i>Property (Business)</i>	\$44,364	\$27,602	\$16,761
<i>GST</i>	\$157,791	\$157,791	\$0
<i>PST</i>	\$178,079	\$178,079	\$0
<i>Total</i>	\$1,021,819	\$748,372	\$273,447
<i>Federal</i>	\$507,761	\$365,787	\$141,974
<i>Provincial</i>	\$410,720	\$319,409	\$91,311
<i>Municipal</i>	\$103,338	\$63,176	\$40,162
<i>Total</i>	\$1,021,819	\$748,372	\$273,447

Table #16 -Taxes (Initial,Direct,Indirect,Induced): **Ontario**
(Dollars)

	Total Ontario	Lake of the Woods	Rest of Ontario
<i>Personal Income Tax</i>	\$367,866	\$193,483	\$174,383
<i>Corporate Income Tax</i>	\$174,076	\$74,390	\$99,686
<i>CPP & EI</i>	\$206,912	\$133,348	\$73,564
<i>Excise</i>	\$34,869	\$18,401	\$16,468
<i>Property (Personal)</i>	\$78,561	\$42,522	\$36,039
<i>Property (Business)</i>	\$68,869	\$39,015	\$29,855
<i>GST</i>	\$189,139	\$178,543	\$10,596
<i>PST</i>	\$237,037	\$217,108	\$19,928
<i>Total</i>	\$1,357,330	\$896,810	\$460,519
<i>Federal</i>	\$660,940	\$427,923	\$233,017
<i>Provincial</i>	\$548,959	\$387,350	\$161,609
<i>Municipal</i>	\$147,431	\$81,537	\$65,894
<i>Total</i>	\$1,357,330	\$896,810	\$460,519