

THE ST. LAWRENCE
PARKS COMMISSION
AN AGENCY OF THE
GOVERNMENT OF ONTARIO

**Parks of the
St. Lawrence**



**Les Parcs du
Saint-Laurent**

LA COMMISSION DES
PARCS DU SAINT-LAURENT
UN ORGANISME DU
GOUVERNEMENT DE L'ONTARIO

St. Lawrence Parks Commission

ANNUAL REPORT

2019 / 2020

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MESSAGE FROM THE CHAIR

Rich in historic, cultural and recreational opportunities for the residents of Ontario and the many domestic and international visitors to our region, St. Lawrence Parks Commission (SLPC) is a dynamic tourism organization that is central to the economy of Eastern Ontario. As Chair of the SLPC, I am pleased to present the 2019/20 Annual Report on behalf of the dedicated staff and board members who serve this organization.

The 2019/20 year was successful for the SLPC generating \$14.495 million in revenue from operations and a net surplus of \$2.298 million. This surpassed budget by \$1.356 million.

As stated in previous annual reports, SLPC is proud that over the past 10 years, the Commission has improved its operational performance significantly. In 2008, SLPC covered approximately 47% of its costs through revenue generated from its operations. In 2019/20 SLPC covered 73% of its expenses through revenue from operations. Overall attendance to SLPC attractions in 2019/20 excluding Marina activity increased at all sites, with impressive results at historic sites and campgrounds. Overall attendance saw a decline this year by only approximately 3% (21,000 visitors) in 2019/20 compared to 2018/19 due to the cancellation of Fort Henry's winter event Lumina Borealis. SLPC Board continue to make difficult evidence-based decisions regarding performance of events and business units to drive the Commission even closer to its goal of being a self-sustainable agency.

As the SLPC continues to prosper, community partnerships remain a priority with government counterparts, tourism partners and with residents in the communities where we operate facilities, parkways and have land holdings. In my role as Chair, I was proud to be in attendance at two official openings of community fairs such as the Williamstown Fair, Canada's Oldest Annual Fair. Reaching out to local communities underlines the importance and benefits of SLPC in Eastern Ontario. Staff across various business units participated in a variety of local fairs and festivals along the St. Lawrence River Corridor, bringing awareness and elevating communications with local communities and our partners.

Last year, the Commission held two public meetings in the Townships of Front of Yonge and Leeds and the Thousand Islands to hear from the community concerns and issues regarding the operation of the 1000 Islands Parkway. Listening to local residents has greatly improved collaboration with the Townships and operation of the Parkway including further support from the Ministry of Transportation. Working closely with the Township of Front of Yonge, SLPC lead local community support for the annual Vincy Unity Picnic Canada – 20-year anniversary. The Annual Vincy Picnic held at Brown's Bay is a family friendly picnic hosted by the St. Vincent and the Grenadines Associations of Montreal, Ottawa and Toronto. Unfortunately, due to COVID-19 the organizing committee had to cancel the 2020 summer annual event; however, we are excited to support festivities next year.

The Commission worked closely with the Townships of South Dundas and South Stormont regarding numerous issues of mutual interest, Long Sault Parkway operation, water levels in the St. Lawrence River and infrastructure. While understanding the potential for enhanced regional economic impact with working together, one noteworthy achievement is the collaboration regarding solutions for water and wastewater at the various SLPC sites located in these Townships. This strong collaboration was an important milestone for the Commission and Townships to find solutions to the beyond useful life infrastructure throughout our campgrounds and beaches and respecting the Provincial Policy Statement to pipe into municipal systems where available.

SLPC once again partnered with the City of Kingston and Correctional Service Canada to operate tours at Kingston Penitentiary. Over 72,000 visitors were hosted in 2019 an increase of 5% from

2018. This new tourism product continues to fascinate guests and is a powerful trip motivator for tourism to the City of Kingston. SLPC looks forward to continuing this partnership.

After seeing success in the international travel trade market from sales missions in the UK and Asia, SLPC continued with sales missions last year in Germany and Switzerland. This market continues to grow with our historic sites, Fort Henry and Upper Canada Village resulting in increases in group sales of 62% and 147% respectively. SLPC will continue to explore opportunities in both the domestic and international travel trade industry as our attractions are ideally located along the 401 corridor between Montreal and Toronto and just one hour south of the nation's capital.

SLPC has been committed to expanding access to its facilities for all guests in a variety of ways and I am proud to say that Fort Henry is now one of the only national historic sites in Canada to offer inclusive washrooms. SLPC staff continue to work with national organizations to improve accessibility with accessible shuttle service, ASL interpretation and autism sensory experiences.

SLPC continues to face serious challenges with its aging infrastructure, especially the beyond useful life septic systems and washrooms within our campgrounds and beaches in addition to deferred capital maintenance. Over the last fiscal year, SLPC is working closely with Infrastructure Ontario, MHSTCI and local municipalities to evaluate the feasibility of connecting to municipal services. We have gained a solid understanding of our infrastructure needs over the past fiscal year and are positioning the agency to be shovel ready on several key infrastructure projects.

Year to year SLPC conducts ongoing analysis of the performance of its attractions and events to improve cost-efficiency and to deliver high-quality products as well as experiences. Fort Fright returned to its original size encompassing the majority of Fort Henry grounds with great success and reviews from visitors. Other areas of review include SLPC's stewardship role that it plays in the operation and management of the 1000 Islands Parkway and for its extensive landholdings.

An important focus for the Board, Senior Leadership Team and staff is the development of the five-year Strategic Plan and I look forward to working with the Board and staff to develop this strategy to guide the SLPC in dealing with its diverse priorities and trials.

As we look to 2020, uncertainty and challenges lie ahead with the imposing ongoing impacts of COVID-19 and its disruptions on SLPC operations.

Finally, I would like to recognize the leadership of General Manager & CEO, Hollee Kew, the Senior Leadership Team and all staff members of the SLPC for their continued dedication and passion. To the other SLPC Board members, a sincere thank you for their commitment of time, energy and expertise.

MESSAGE FROM THE GENERAL MANAGER & CEO

St. Lawrence Parks Commission (SLPC) is one of the largest tourism destinations in Eastern Ontario, extending 200 km from Kingston to near the Quebec border. Facilities include thousands of hectares of park land and attractions on the St. Lawrence Heritage Corridor that provide a major source of recreational opportunities for residents and visitors to the Eastern Ontario Gateway to Ontario.

The SLPC supports the Ontario Ministry of Heritage, Sport, Tourism and Culture Industries' efforts to strengthen Ontario's tourism industry. We employ over 500 dedicated people throughout the year including a complement of full time, part-time, seasonal and students to deliver quality visitor

experiences. SLPC operations generate a regional economic impact between \$70 - \$100 million annually to the province's economy making our operations a significant economic driver that improves the lives of the people living in the region and province.

In 2019/20, SLPC hosted over 600,000 visitors, attracting significant visitation from Ontario, Quebec and internationally. SLPC's role as a tourism draw brings visitors to local community businesses and adds to the vitality of the region and works in partnership with local municipalities and Destination Marketing Organizations. SLPC also received a Tourism Award last year from the Kingston Chamber of Commerce for the Kingston Pen Tours, which to date, have contributed significant economic impact to the local economy in the City of Kingston and area and also \$3 million to the United Way of Kingston, Frontenac, Lennox & Addington to support youth homelessness initiatives.

Following participation in sales missions to China, South Korea, Japan and the UK and Ireland, SLPC participated in the Destination Ontario sales mission and marketplace in Germany and Switzerland to educate qualified agents about SLPC attractions and establish new relationships with key operators in this important market. This will continue to be an area of focus moving forward.

SLPC continues to build on accessibility initiatives. Fort Henry has introduced accessible shuttle service to evening events and ASL interpretation at Sunset Ceremonies. The Advanced Battery washroom project was completed, and our Sensory Sunday's program continued this season with the added experience of a 30-minute tactile tour in addition to the traditional 60-minute tour for those visitors on the autism spectrum. Access to tourism experiences for all visitors is important and staff will continue to work with organizations like the Canadian National Institute for the Blind, Canadian Hearing Society and the Alzheimer's Society of Ontario to educate employees and create accessible sites and experiences.

SLPC's historic sites, Upper Canada Village and Fort Henry, both saw significant visitations to their main season during the summer months with Upper Canada Village welcoming close to 157,000 visitors, up 4% to budget and Fort Henry showing growth from 41,000 visitors in 2018 to 45,000 in 2019, up 10% to the previous year and to budget. At Upper Canada Village, group tour activity was 11,236 which doubled 2018/19 activity. Kingston Pen Tours extended tours were regularly sold out all season and all other tours were sold out every weekend and every day for 7 straight weeks in July and August.

SLPC continues to deliver exceptional, crowd-pleasing fall and winter events at its historic sites, which extend the tourism season and contribute significantly to the SLPC's financial performance. Fort Fright, Pumpkinferno and Alight at Night collectively attracted over 110,000 visitors in the months of October through January. SLPC performs an ongoing review and refinement of the visitor experience of all events. Staff are always seeking to refresh these events that is both engaging for guests and financially sustainable.

Despite our strong performance, weather once again played a significant role in many of the SLPC's operations. The winter and spring were one of the wettest and rainiest on record. Montreal recorded 28 inches of rain, the 5th highest November to May total since 1942 and in Ottawa, 24 inches fell during the same period, 7th highest on record since 1890. The higher than normal water levels in the St. Lawrence River in our eastern properties negatively impacted extended stay and transient campsites at Ivy Lea and created unfavourable conditions at Brown's Bay Beach. The continued unsettling weather in the fall also caused significant damage to equipment at Skywood Eco Adventure, resulting in its early closure as well as the early closure to Fort Fright at Fort Henry.

SLPC campgrounds continued to post positive advances in net revenue and admissions, showing increases of 8% and 2% respectively. The Learn to Fish program was alternated throughout the various campgrounds and increased participation by 12%.

At Upper Canada Golf Course, a new automated irrigations system and improvements in drainage created a much safer and enjoyable course. A new 2 for \$50 incentive was instrumental in seeing a 12% increase in revenue this past season.

A newly established operating plan for Skywood Eco Adventure proved to be effective in controlling expenses and review of the operational model for future years.

Although Chrysler Park Marina faced several challenges with a drop in seasonal boaters and winter damage to the slips and gas dock, camping and cabin rentals was a bright spot and momentum is building to make this an agreeable profit centre for the operation. Staff are working towards enhanced customer experience to regain seasonal business. Staff held several open invitation group meetings with seasonal boaters to hear issues and suggestions for revitalizing the Marina and improving operations.

The SLPC will face an unprecedented year ahead with the unpredictability of COVID-19 and resulting impact on tourism. Delivering quality visitor experiences and striving for sustainability continues to be challenged with extremely aging infrastructure, with the most serious being septic systems and washrooms within our Parks system. To further our understanding of our infrastructure, SLPC participated in a land asset inventory pilot project with the Ministry of Heritage, Sport, Tourism and Culture Industries (MHSTCI) and Infrastructure Ontario. The project generated evidence-based decision-making information for asset management planning and to inform Multi-Year Planning budget submissions. SLPC now has a solid knowledge of our infrastructure challenges and are working towards shovel ready submissions with MHSTCI.

SLPC is working closely with MHSTCI, Infrastructure Ontario and our local municipalities to evaluate long-term sustainability of this critical infrastructure and the feasibility of a path forward to revitalization, by connecting to municipal services where possible and renewing all capital assets to meet the needs of a growing customer base and climate adaptation. SLPC have prioritized our environment and have benchmarked our green-house gas emissions with the establishments of goals and objectives to reduce our impact on the environment we care deeply about.

With the rapidly changing marketplace and growing consumer demand for e-commerce and immediacy of information, SLPC is working closely with the I & IT Cluster at MHSTCI for assistance and guidance on the development of an RFB for a new website.

With the two year mark approaching on my time in the role as General Manager & CEO at the St. Lawrence Parks Commission, we have made remarkable progress on getting the business in order and now can drive significant improvements with our upcoming strategic planning process and our understanding of our infrastructure and business unit performance. I have appreciated the support I have received from all SLPC management and staff, in addition to the support of the staff at the MHSTCI, the SLPC Board of Commissioners, and our numerous tourism and community partners throughout the region.

CORPORATE OVERVIEW

MANDATE

The SLPC was established in 1955 and is a Board-governed agency of the Government of Ontario. Its mandate is to provide tourism, cultural, educational and recreational opportunities for residents of Ontario and visitors to the province through the presentation and interpretation of historic attractions, and the development and operation of parks, campgrounds, scenic parkways and recreational areas. The SLPC supports the Ministry of Heritage, Sport, Tourism and Culture Industries' efforts to strengthen Ontario's tourism industry by promoting economic growth through the delivery of cultural and tourism experiences and championing participation in sport and recreational activities across Ontario. As a key economic driver in Eastern Ontario, the SLPC will focus efforts on new product development and program enhancements that will draw new and returning customers to the region and strengthen Ontario's reputation as an internationally recognized tourism destination.

MISSION

The purpose of the SLPC is to generate lasting visitor growth, drive economic prosperity, and build community partnerships in Eastern Ontario.

The SPLC is a revenue-generating tourism business offering customer-focused, entertaining and educational experiences that maximize its natural, leisure and heritage assets.

LEGISLATIVE AUTHORITY

The SLPC operates under the authority of the *St. Lawrence Parks Commission Act*, and reports to the provincial government through the Minister of Heritage, Sport, Tourism and Culture Industries. The Board of Commissioners' governance responsibilities include overseeing the business affairs of the SLPC by making policy decisions and setting strategic directions; establishing land use regulations; approving budget priorities; translating government policy into agency policy; ensuring wise use of public assets; and representing the SLPC within the community.

The SLPC supports its operations through:

- Fees charged at its attractions and retail outlets and revenue generated via concessionaires;
- An allocation from the Government of Ontario; and
- Agreements, donations, sponsorships and partnership advertising funds in support of its facilities and programming.

CORE PRINCIPLES, VALUES AND BELIEFS

- Success must be achieved through excellence in the presentation and promotion of quality attractions and facilities and high private sector-calibre retail establishments which complement rather than compete with the private sector.
- SLPC has a vital role to play in the development of tourism in Eastern Ontario, not only through excellence in the presentation and promotion of its attractions and facilities, but also by helping to develop regional programs which are responsive to the demands of the tourism markets.

- Its greatest future strength must be built upon leadership and motivated people, with Commissioners, staff and communities working together.
- SLPC is committed to responding to the needs of its visitors through service and courtesy.
- SLPC is dedicated to communicating effectively with visitors, staff, community leaders, associations, private tourism operators and the Ministry of Tourism, Culture and Sport.
- SLPC believes that the development and implementation of a unique corporate image will heighten public awareness of the SLPC as a unified corporate entity with distinct programs and facilities and serve as a cornerstone for marketing and a source of pride for staff.
- SLPC is committed to responsible and ethical management of its attractions, facilities and services.
- SLPC is committed to the principles of its corporate vision. It will guide corporate planning and new initiatives and it will also assist in setting priorities for existing programs and set the stage for cooperative activities with the private sector and other stakeholders.

OBJECTIVES

- To encourage and promote the tourism industry in Eastern Ontario on a year-round basis for the economic benefit of the people of the region and the province.
- To acquire, preserve, develop and maintain historic and recreational resources within SLPC's jurisdiction for the benefit of the people of Ontario and enjoyment of visitors to the province.
- To manage historic sites, campgrounds, parkways, recreation areas and/or other facilities which enhance SLPC's contribution to tourism development, recreation, learning and heritage conservation.
- To provide SLPC's services and facilities at a high standard of excellence for the recreational and learning enjoyment of its visitors.

STRATEGIC PILLARS

The SLPC is guided by its Strategic Pillars, which were updated in November 2017.

Pillar I – Support a Health, Safety and Environmental Culture

SLPC will continue to develop a “safety-first” culture that creates a healthy work environment where employees always feel safe and activities leave a minimal environmental footprint in every location. SPI (Safety Performance Index) and root cause analysis will inform safety progress. SLPC’s Multi-year Accessibility Plan will ensure the SLPC meets Ontario’s accessibility laws and removes accessibility barriers. The SLPC Wellness Committee will encourage and promote habits of wellness among SLPC employees.

Pillar II – Move towards Operational Self-Sufficiency

SLPC will continue to improve overall performance by continuing to emphasize both revenue generation and a margin focused model. SLPC will develop and implement sustainable, continuous improvement practices to constantly reduce costs and eliminate waste, and to improve quality and increase flexibility across all SLPC Business Units. Continued focus on budget adherence through variance analysis, metrics and accountability will be applied to improve overall financial performance. Further, SLPC will maintain a continuous effort to outpace inflation with cost structure improvements.

Pillar III – Optimize and Balance Resources and Profits

SLPC will optimize and balance resources and profits in order to ensure product quality, visitor satisfaction, and increased profitability. SLPC will continue to offer existing and potential clients a broad range of competitive products and services within the Historical Sites and Parks and Recreation attractions. SLPC will endeavor to be perceived as a tourism industry innovator through exceptional creativity, depth and capacity with a focus on high yield programming and special events designed to enrich visitor experience. Reinvestment of operational gains to sustain product quality, tourism experience excellence and grow and enhance programs and product mix will contribute to organizational and financial sustainability. The preservation of our core Heritage Sites remains paramount and new product will be considerate of heritage impact such that new offerings are non-dilutive to our core product.

Pillar IV – Grow and Expand the Customer Base

Investments in enhanced product quality, special events, thematic daily/weekend programming, perceived “value for money” and a strengthened SLPC brand will be designed to support provincial, national and international market development and reinforce ongoing regional and provincial market penetration.

Pillar V – Build a Talented and Committed Workforce

SLPC will excel at attracting, developing, and retaining competent and flexible personnel to support an ever-evolving high performing organization; through enhanced leadership and employee engagement. SLPC’s focus will be to continue to invest in a culture of motivated improvement and personal accountability. Investment in the educational development of staff will continue in all professional development categories. Enhanced capacity to serve international visitors in their language must be considered.

2019/20 ST. LAWRENCE PARKS COMMISSION BOARD OF COMMISSIONERS

Chair:

Bob Runciman
Brockville
January 17, 2019 – January 16, 2022
2019/20 Remuneration: \$3,038

Vice-Chair:

Bruce Wylie
November 13, 2019 – November 12, 2022
2019/20 Remuneration: \$325
Brockville

Vice-Chair:

Linda Ann Daly
Kingston
April 24, 2013 – April 17, 2018
January 18, 2019 - August 3, 2019
2019/20 Remuneration: \$350

Commissioners:

Margaret Fancy
Mallorytown
October 23, 2013 – November 22, 2019
2019/20 Remuneration: \$750

James Garrah
Gananoque
October 30, 2013 – October 29, 2019
2019/20 Remuneration: \$825

Robert Tchegus
Kingston
April 26, 2017 – April 25, 2020
2019/20 Remuneration: \$300

Guy Tondreau
Cornwall
June 28, 2017 – June 27, 2023
2019/20 Remuneration: \$1,050

Linda Shanks
Kingston
August 31, 2017 – August 30, 2020
2019/20 Remuneration: \$900

Debora Daigle
Cornwall
June 28, 2017 – June 27, 2020
2019/20 Remuneration: \$1,050

Pierre Santoni
Mallorytown
March 7, 2018 – March 6, 2021
2019/20 Remuneration: \$0

Tammy Hart
April 4, 2019 – April 3, 2022
Newington
2019/20 Remuneration: \$900

Todd Lalonde
October 17, 2019 – October 16, 2022
Cornwall
2019/20 Remuneration: \$150

Gordon Stencell
October 25, 2019 – October 24, 2022
Kingston
2019/20 Remuneration: \$0

SENIOR LEADERSHIP TEAM 2019/20

Hollee Kew
General Manager & CEO

Mia Robertson
Executive Administrative Assistant to the General Manager & CEO and Ministry Liaison

Geoff Waycik
Director, Historic Sites

Dawn Ellis-Thornton
Manager, Fort Henry National Historic Site of Canada (until December 31, 2019)

Kathryn Lowe
Acting Manager, Fort Henry National Historic Site of Canada

Tracey Ogilby
Manager, Upper Canada Village

Jennifer Tarini
Director, Parks and Recreational Facilities

Robert Hamilton
Manager, Maintenance and Operations

Brent Sommerville
Regional Parks Operations Manager

Tim Robins
Manager, Recreation & Leisure Facilities

Al Adibi
Director, Corporate Services

Shannon Moulton
Human Resources Coordinator

Susan LeClair
Acting Director, Marketing & Customer Experience (until September 9, 2019)

Krista Doyle
Acting Director, Marketing & Customer Experience

BUSINESS UNITS

UPPER CANADA VILLAGE

- Generated over \$4.5 million of revenue and received 256,000 visitors.
- Saw a decrease in net financial performance of 12% year-over-year.
- Group tour activity doubled this year compared to 2018/19.
- Events included a Celebration of Canadian Music, Horse Lovers Weekend and Annual Fall Fair and Quilt Show.
- Medieval Festival was attended by 8,230, which was 5% under budget.
- Time Traveler summer camp was sold out of all spots.
- Pumpkinferno attracted over 51,500 visitors over 20 nights of operation and Alight at Night over 41,000 over 25 nights.

FORT HENRY NATIONAL HISTORIC SITE OF CANADA

- Fort Henry visitation during the main season improved 6% over budget and previous year.
- Great Hall rentals increased by 15% over budget, 27 weddings or receptions were held at Fort Henry in 2019.
- Bytown Catering introduced BeaverTails to the Advanced Battery.
- Accessibility and Inclusion initiatives saw the introduction of accessible shuttle service to evening events, ASL interpretation at the Sunset Ceremony and the completion of the Advanced Battery washroom project. Fort Henry is one of only a few heritage sites nationally to offer inclusive washrooms.
- Sensory Sunday's program continued this season with the added experience of a 30-minute tactile tour in addition to the traditional 60-minute tour.
- New interpretive programming included Music of the Regiment, Artillery Tour, Ronald L Way Interpretive Days and Fort Henry Guard Regimental Band and Choir.
- Fort Fright was redesigned to have the haunted house route end in the parade square for a carnival style experience and included partner experiences with Improbable Escapes and Haunted Walks.
- Introduced Indigenous Cultural Workshops and welcomed local Indigenous artisans to the Trade Square.

KINGSTON PEN TOURS

- Generated close to \$3.1 million of revenue and received 72,000 visitors.
- Saw an increase in net financial performance of 3% year-over-year.
- Attendance performance statement similar to UCV (from 68k to 72.5k visitors)
- Extended tours frequently sold out all season and all other tours were sold out every weekend and every day for 7 straight weeks in July and August.
- Modified programming on Prisoners' Justice Day on August 10 where tour guides explained the day's relevance in modern day corrections while admission's staff distributed CSC approved brochures.

CAMPGROUNDS & BEACHES

- Parks net income was \$1.854 million and 12% ahead of budget.
- Revenue was up \$135,000 or 3% over the previous year.
- Continued to focus on adding French/Language students to the staffing complement.
- Staffing challenges were significant throughout all parks with students leaving to pursue work in other fields or higher-earning jobs. The hiring protocol made it difficult to replace students quickly.
- Alternating the Learn to Fish program throughout the campgrounds produced an increase of 12% in participation. SLPC's Learn to Fish program offers instruction in both official languages.
- Upgraded 73 existing basic and one service 15-amp sites to 30 amp and water. Gravel pads were also added at Woodlands Campground. These upgraded sites earned an 11% increase in revenue after one month of operation.
- Investments continued in the goose relocation program and feces collection system to mitigate any potential loss of customers.
- Continued the success of the dog friendly cabins by adding two additional dog friendly cabins to reservations and generated \$2.2K in dog fee revenue.

UPPER CANADA GOLF COURSE

- Generated over \$550 thousand of revenue and had activity of 19,000 (rounds golfed/rentals).
- Saw an increase in net financial performance of 61% year-over-year.
- 2 for \$50 promotion was instrumental in exceeding revenue targets especially with a cool, wet spring. Variable start times for the 2 for \$50 special allowed us to maximize revenues.
- Following the front 9 irrigation up-grade in 2018, the back 9 irrigation system was automated this season.
- The new automated irrigation system provided better playing conditions, allowing staff to control irrigation remotely through a cell phone. Staff resources could then be re-directed to other areas of the course that required attention; cut back on staff overtime.
- A great amount of tree work was conducted this year to allow for proper aeration of the course and to improve safety and playability.
- New drainage was added to holes #s 11, 16, 17.
- Cart Fleet Replacement Program allowed for 10 new golf carts to be replaced as part of an annual replacement program.
- Capital equipment replacement included 2 new trim mowers and 1 out front rotary mower.
- Upgrades currently underway in the clubhouse.

CRYSLER PARK MARINA

- Generated close to \$650 thousand of revenue and stored/docked 1.2 million of linear boat feet (length) per day.
- Saw a decrease in net financial performance of 36% year-over-year.

- The season opened with only two functioning docks as a result of water levels dropping over the winter and due to ice damage. The gas dock was also damaged and out of service until mid - June.
- Lift revenue was down due to unforeseeable challenges which grounded the machine for a period in the spring and fall; resulting in contractors having to move boats.
- Camping and cabin revenues were up from the previous year. Momentum is growing in this area of business and overall camping has been a successful profit center.
- Retail was down overall, however the main short fall came from loss of fuel sales due to gas dock damage.

SKYWOOD ECO ADVENTURE

- Generated close to \$350 thousand of revenue and received 9,000 visitors.
- Saw an increase in net financial performance of 77% year-over-year.
- 2019/20 saw the roll out of the newly established operating plan for Skywood Eco Adventure Park.
- The new operating plan, and successful marketing campaigns have been positive steps to move toward a profitable business model along with balancing staff workload and controlling expenses.
- A new animal habitat project collaboration with Frontenac Arch Biosphere and Parks Canada was initiated this spring.
- Community Outreach Events Attended: Delta Fair, Mallorytown Village Fair and Ribfest Brockville saw over 500 interested people enter the Skywood draws for free tickets increasing the attractions awareness in the local area.
- In-House tree work saw a significant saving in the Skywood Eco Adventure Park's operational budget costs.
- Major lightning storm caused damage to the course and resulted in the park closing 2 weeks early.

MAINTENANCE & OPERATIONS

- Significant equipment upgrades were undertaken to improve efficiencies and health and safety.
- Capital investments included the completion of the paving of the maintenance road and parking lot, equipment upgrades and Grenville Park sewage treatment plant.
- Continued compliance with MECP for existing, aging sewage systems.
- Closed 1,896 work orders and 616 stock orders across the SLPC.
- Staffing challenges due to hiring freeze; managed to successfully onboard five new employees.
- Data gathering supported with new survey equipment on various projects throughout commission.

CORPORATE SERVICES

- Annual Financial Audit: Completed successfully with no issues in June 2020.
- Implemented Provincial Audit Recommendations with 100% compliance.
- Continued enhancement and automation of business processes and banking strategy.
- Procurement, Payable and e-Expense automation: This project was recently restarted and slated to be complete in 2020.
- Financial ERP Accounting Suite, Employee Time Reporting, Human Resources and Payroll systems were migrated to cloud host.
- Introduced and implemented Microsoft Office 365 suite of products (OneDrive, Teams, Outlook, etc.).
- Migration of on-premise email Exchange server to Office 365 cloud-based email hosting.
- Upgraded Customer Point-of-Sale terminals to current hardware specifications at several locations.
- IT help desk made accessible from remote locations.
- Enhanced Network Security (Windows updates, firewalls, end-point protection, two-factor authentication, etc.).
- Enhanced backup plan to include multiple off-site backup locations.
- All staff were trained during 2019 corporate orientation on a New Employee Health and Safety Handbook.
- All managers received Supervisor training which included Ministry of Labor legislative responsibilities, Ethics and Managing in the OPS and Recruitment Best Practices.

MARKETING & CUSTOMER SERVICE

- Implemented the seamless launch of all experiences to ensure messaging, media outreach, community engagement, paid and social media, and ticketing systems were synchronized.
- Enhanced collaboration with Business Units to ensure marketing message was focused on appropriate goals and financial targets.
- Utilized email databases for Kingston Pen Tours, Parks, Fort Henry and Upper Canada Village to proactively cross promote events, summer camps, advanced ticket sales and distribution of information.
- Grew followers and engagement on all social channels, with Upper Canada Village seeing a 47% increase from 2018 in traffic to its website and 13.2 million impressions.
- Increased response rates to customer queries and feedback on various social and digital platforms (i.e. Facebook, TripAdvisor).
- Collaborated with Destination Ontario, Destination Canada, Tourism Kingston and others to host FAM Tours, Travel Media and Sales Missions creating an enhanced brand awareness for SLPC.
- Increased group sales at Fort Henry by 62% and Upper Canada Village by 147%.
- BMO renewed a 3-year \$75,000 sponsorship, OPG once again sponsored historic sites with \$20,000 and welcomed new sponsors including Olymel for Pumpkinferno.
- As of September 2019, SLPC adopted the Ministry News Release template to streamline communications and create synergies between the SLPC and MHSTCI Communications teams.

PERFORMANCE MEASURES

SLPC aligns its performance measures with its five strategic pillars and uses outcome and output based reporting. The following are the performance measures used in 2018/19:

Pillar I – Support a Health, Safety and Environmental Culture

Measure reported staff and visitor incidents over time and monitor the incidences of tick bites.

Pillar II – Move towards Operational Self-Sufficiency

Analyze activity levels weekly and compare to budget and previous year to evaluate performance, identify trends and opportunities.

Pillar III – Optimize and Balance Resources and Profits

Conduct monthly financial reviews of key performance indicators, income statements, internally restricted reserve reports, capital reports, and activity reports to evaluate financial performance versus budget for the period and previous year.

Pillar IV – Grow and Expand the Customer Base

Measure customer satisfaction levels using a variety of methods (e.g. social media comments, customer comment cards) and enhance customer intelligence to identify areas to expand customer base and develop new products.

Pillar V – Build a Talented and Committed Workforce

Implement new Human Resource plan to address workforce challenges (e.g., enhanced staffing model, recruitment diversity, corporate training, and digitization of processes) and monitor FTEs to ensure business units are operating within caps.

RISK AND SIGNIFICANT EVENTS THAT IMPACTED PERFORMANCE

None to report in 2019/20. SLPC exceeded its annual operating budget.

STAFFING LEVELS

SLPC STAFFING SUMMARY	2019/20	2018/19	2017/18
Regular Full-time	57	55	39
Regular Part-Time	1	2	12
Seasonal (averaging 5-6 months per year)	184	176	146
Fixed term, Group 1	20	21	80
Fixed term, Group 2	43	40	11
Student (averaging 4 months per year)	261	298	330
TOTAL SLPC STAFFING LEVELS	566	592	618

Note: Employee numbers reported above are captured during peak-operating season.

ATTRACTION ACTIVITY PERFORMANCE

ATTRACTION	2019/20	2018/19	2019/20 vs 2018/19		2017/18
Fort Henry admissions/rentals	96	118	(22)	(19) %	126
Upper Canada Village admissions/rentals	256	259	(3)	(1) %	270
Parks nights/admissions	158	156	2	1.4 %	142
Upper Canada Golf Course rounds/rentals	19	16	3	18 %	17
Skywood Eco Adventure Park admissions	9	10	(1)	(12) %	11
Kingston Pen Tours admissions	72	68	5	7 %	105
SLPC total excluding Chrysler Park Marina	611	627	(17)	(3) %	671
Chrysler Park Marina docked/stored linear ft.	1,190	1,418	(228)	(16) %	1,508
SLPC total including Chrysler Park Marina	1,800	2,045	(244)	(12) %	2,179

Note: Above amounts are in thousands.

FINANCIAL PERFORMANCE

OPERATIONS

In 2019/20, SLPC self-generated \$14.495 million of revenue from operations resulting in a net surplus of \$2.298 million, surpassing the budget by \$1.356 million or 144%. SLPC net financial performance increased by \$1.270 million or 124% over 2018/19.

Consistent with the prior year, SLPC received a provincial government operating grant in the amount of \$7.123 million from the Ministry of Heritage, Sport, Tourism and Culture Industries (MHSTCI). Other funding from the MHSTCI included \$69 thousand from the Student Experience Program to subsidize student wages.

CAPITAL INVESTMENT

SLPC is steward of 7,000 acres of land over a 200 km stretch from Kingston to the Québec border along the St. Lawrence River corridor. Operations include 3 major historic attractions, 14 beaches and campgrounds, 37 km 1000 Islands Parkway, 11 km Long Sault Parkway, a long- distance

recreational trail, a wildlife sanctuary, an eco-friendly zip line aerial park, 18-hole golf course, a marina, and gift and retail stores.

Many SLPC assets are beyond their useful life. There are 130 or more capital projects annually that are needed to keep our many sites operational. These projects can range from lighting upgrades to dock repairs. SLPC receives approximately \$5-7 million annually for these capital projects but this funding falls short, especially given the aging infrastructure within many of our sites. The SLPC does its utmost to maintain the assets within its ability and resources available. Projects in the queue that are not completed due to lack of funding are recorded as deferred capital maintenance. Examples of deferred projects include the septic systems and washrooms in the parks which are beyond their useful life and the Aultsville train rehabilitation. The SLPC currently has approximately \$85 million in deferred capital maintenance.

In 2019/20, SLPC received \$6.644 million from capital projects using capital grants from MHSTCI. Those funds were directed to several high priority projects that were:

- Vital to ensuring the safety of staff and visitors.
- Necessary to comply with legislative and regulatory requirements.
- Required to support on-going operations and revenue generation.

Capital projects for the year included the repair and replacement of septic and sewage systems, washrooms, drainage, information technology infrastructure, buildings, golf cart fleet, light equipment, heavy equipment, maintenance equipment, food service equipment, HVAC (heating, ventilation, and air conditioning systems), electrical systems, plumbing systems, irrigation systems, accessibility infrastructure, storage facilities, docks, restoration, and many other projects related to the repair and refurbishment of SLPC assets.

INTERNALLY RESTRICTED RESERVE

In 2011/12 the SLPC and the MHSTCI collaboratively established an Internally Restricted Reserve (IRR) with a one-time, \$2.5 million grant provided by the MHSTCI. The IRR is the investment fund that the SLPC uses to drive growth and to make progress towards the goal of financial self-sufficiency (less dependence on government funding). The IRR is funded internally through net income. It is invested in new programs and events, enhancements to customer experience, and for initiatives that will result in cost savings. The SLPC Board of Commissioners established and approved guidelines for the fund that requires that projects approved for funding generate (1) a variable contribution margin of at least 50%, or (2) result in cost savings of at least 25%. Since 2011/12, the IRR is funded internally through annual net income.

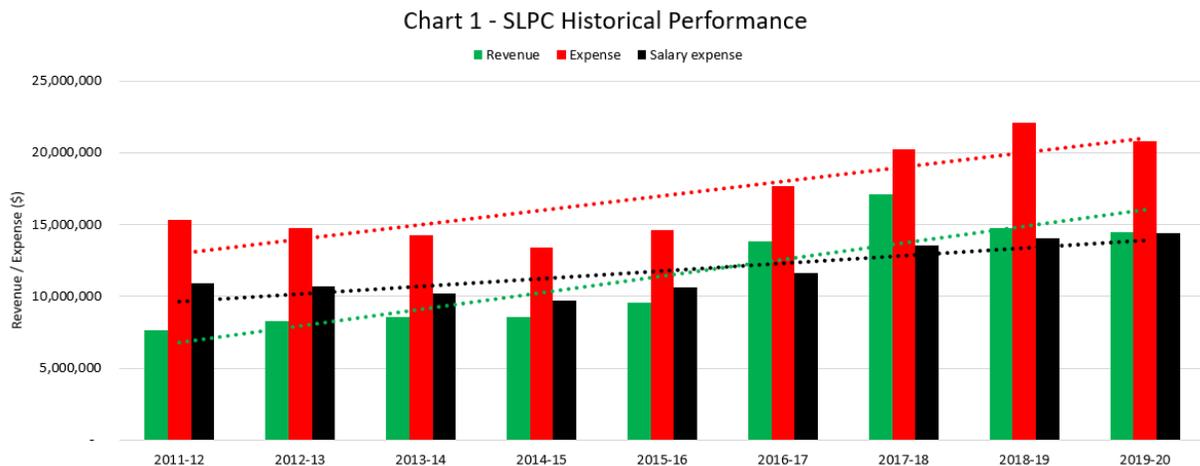
The SLPC receives an annual operating transfer payment for regular business operations, and a second transfer payment for capital infrastructure projects related to (1) health and safety, (2) legislative and code compliance, and (3) asset integrity projects. These transfer payments cannot be used to fund the development of new events, programs, or proactive initiatives which reduce costs. IRR investment is therefore critical in order to put SLPC in a stronger position financially, keeping it vibrant, and helping it grow towards becoming a world-class tourism destination.

Since 2011/12, SLPC's net income from operations has contributed over \$15.7 million to the IRR and over \$12.8 million has been invested in projects such as developing:

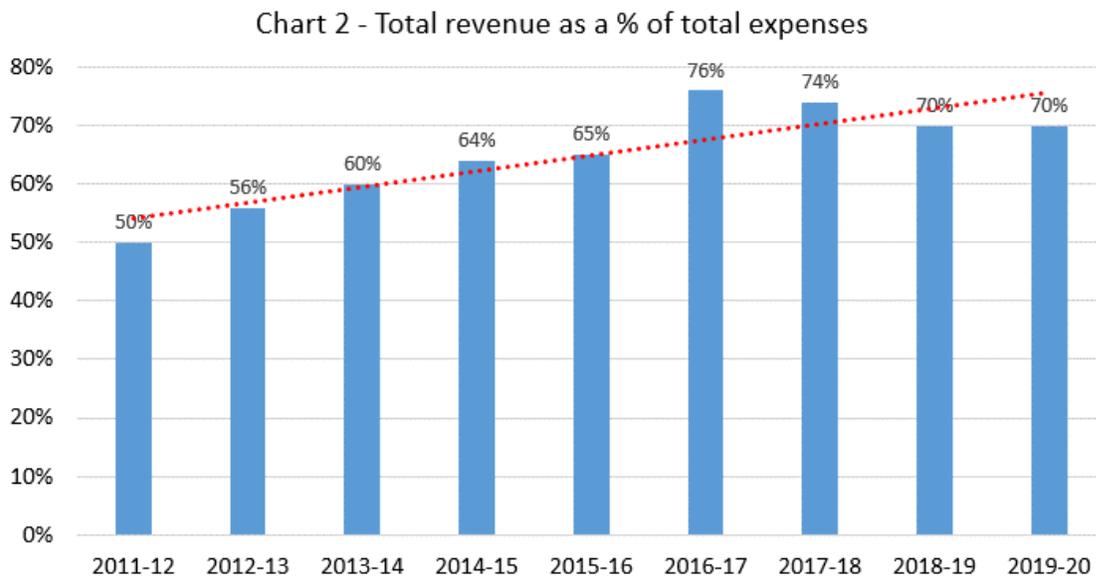
- The critically acclaimed fall event Pumpkinferno that has attracted over 77,000 visitors in one year and generates over \$1 million annually.
- Camper Cabins that generates over \$260 thousand in revenue annually.

- Full-service campground upgrades that generates over \$200 thousand in revenue annually.
- Electrical efficiency upgrades to reduce SLPC power consumption that has saved an estimated \$50 thousand annually.

As SLPC has invested in refreshing visitor experiences and keeping pace with visitor demands, revenue from operations has grown from \$7.64 million in 2011/12 to \$14.51 million in 2019/20, an increase of 90% (see Chart 1 below).



The impact on SLPC’s financial performance has been dramatic. In 2011/12 for every dollar of expense, SLPC generated \$0.50 in revenue; in 2019/20, for every dollar of expense, SLPC generated \$0.70 of revenue (see Chart 2 below).



Other factors that have contributed to this success have also included a commitment to Lean Kaizen principles and a corporate restructuring. Salaries and wages are SLPC’s largest expense. By 2016/17, for the first time, SLPC revenue covered 100% of salaries and wages (see Chart 1 above).

MANAGEMENT’S RESPONSIBILITY FOR ANNUAL REPORTING

The Management of the SLPC are responsible for the financial statements and all other information presented in these statements. The statements have been prepared by management in accordance with the framework identified in Note 2 in the accompanying audited financial statements.

The financial statements include amounts based on best estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the statements are presented fairly, in all material respects.

Management maintains a system of internal accounting and administrative control that is designed to provide reasonable assurance that the financial information is relevant, reliable, accurate and that the Commission’s assets are properly accounted for and adequately safeguarded.

The Board of the SLPC is responsible for gaining assurance that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with Management to discuss financial results, auditing matters, financial reporting issues and to satisfy itself that each group is properly discharging responsibilities. The Board reviews the financial statements before recommending approval by the Board.

The financial statements have been audited by KPMG, the Commission’s appointed External Auditor and in accordance with Canadian generally accepted auditing standards on behalf of the Commission, Minister of Tourism, Culture and Sport and the Provincial Auditor General. KPMG had direct and full access to all Commission records as well as full access to the Board of Commissioners and without the presence of Management to discuss their audit and findings as to the integrity of the Commission’s financial reporting.

Hollee Kew

General Manager & CEO

St. Lawrence Parks Commission

Al Adibi

Director, Corporate Services

St. Lawrence Parks Commission

Financial Statements of

**THE ST. LAWRENCE PARKS
COMMISSION**

And Independent Auditor's Report thereon

Year ended March 31, 2020



KPMG LLP
863 Princess Street, Suite 400
Kingston ON K7L 5N4
Canada
Telephone 613-549-1550
Fax 613-549-6349

INDEPENDENT AUDITORS' REPORT

To the St. Lawrence Parks Commissioners, the Minister of Tourism, Culture and Sport and the Auditor General of Ontario

Qualified Opinion

We have audited the financial statements of St. Lawrence Parks Commission (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Note 2 indicates that tangible capital assets, including land, acquired before April 1, 1994 are carried at nominal value. Moreover, assets acquired before April 1, 2009 with provincial government funding have been expensed rather than capitalized. In these respects, the financial statements are not in accordance with Canadian public sector accounting standards.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the total assets reported in the statements of financial position as at March 31, 2020 and March 31, 2019
- the amortization of deferred capital contributions, the amortization expense of tangible capital assets and excess of revenue over expenses reported in the statements of operations for the years ended March 31, 2020 and March 31, 2019
- the unrestricted net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years March 31, 2020 and March 31, 2019



- the excess of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2020 and March 31, 2019

Our opinion on the financial statements for the year ended and March 31, 2019 was qualified accordingly because of the possible effects of this departure from the Canadian public sector accounting standards.

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

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

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

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

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

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

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



We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 18, 2020

THE ST. LAWRENCE PARKS COMMISSION

Financial Statements

Year ended March 31, 2020

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Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5

THE ST. LAWRENCE PARKS COMMISSION

Statement of Financial Position

March 31, 2020, with comparative information for 2019
(In thousands of dollars)

	2020	2019
Assets		
Current assets:		
Cash and short-term investments	\$ 10,363	\$ 11,457
Accounts receivable	5,182	571
Inventories	446	446
Prepaid expenses	61	114
	<u>16,052</u>	<u>12,588</u>
Tangible capital assets (note 3)	35,425	38,661
Deferred land costs (note 6)	41	41
	<u>\$ 51,518</u>	<u>\$ 51,290</u>

Liabilities and Net Assets

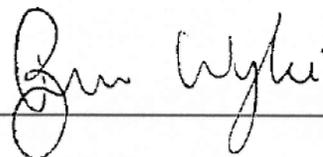
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,449	\$ 4,101
Deferred contributions (note 4)	6,366	2,276
	<u>7,815</u>	<u>6,377</u>
Deferred contributions - tangible capital assets (note 5)	30,467	33,318
Due to the Province of Ontario (note 6)	300	300
Severance and future employee benefits (note 7)	1,113	981
Net assets:		
Unrestricted	3,558	3,558
Internally restricted (note 8)	8,265	6,756
	<u>11,823</u>	<u>10,314</u>
Commitments (note 14)		
Subsequent event (note 16)		
	<u>\$ 51,518</u>	<u>\$ 51,290</u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Commissioners:


Guy Tondreau

Commissioner



Commissioner

THE ST. LAWRENCE PARKS COMMISSION

Statement of Operations

Year ended March 31, 2020, with comparative information for 2019
(In thousands of dollars)

	Unrestricted	Internally restricted (note 8)	Total 2020	Total 2019
Operating revenue:				
Entrance receipts (note 12)	\$ 7,742	\$ —	\$ 7,742	\$ 8,224
Camping	4,157	—	4,157	4,078
Gross profit from retail operations (note 9)	771	—	771	695
Golf course	482	—	482	425
Concession and site	489	—	489	443
Sponsorships	88	—	88	106
Marina docking and storage	443	—	443	490
Investment income	190	—	190	177
Miscellaneous	133	10	143	104
	14,495	10	14,505	14,742
Operating expenses:				
Salaries, wages and benefits (note 11)	14,394	—	14,394	14,056
Services	3,566	2	3,568	4,656
Supplies and equipment	1,101	2	1,103	1,583
Transportation and communication	185	—	185	251
Amortization of tangible capital assets	7	804	811	830
Program distribution to United Way				
KFL&A (note 12)	709	—	709	735
Miscellaneous	13	—	13	15
	19,975	808	20,783	22,126
Other revenue (expenses):				
Provincial government funding:				
Operational	7,778	9	7,787	7,390
Refurbishment - amortization of deferred capital contributions	3,871	—	3,871	4,399
Revitalization - amortization of deferred capital contributions	1,288	—	1,288	1,288
Other funding - amortization of deferred capital contributions	178	—	178	178
	13,115	9	13,124	13,255
Refurbishment:				
Expenses	(1,708)	—	(1,708)	(2,274)
Amortization of tangible capital assets	(2,163)	—	(2,163)	(2,125)
	(3,871)	—	(3,871)	(4,399)
Revitalization				
Amortization of tangible capital assets	(1,288)	—	(1,288)	(1,288)
Other expenses:				
Amortization of tangible capital assets	(178)	—	(178)	(178)
Provincial government operational funding	7,778	9	7,787	7,390
Excess (deficiency) of revenue over expenses	\$ 2,298	\$ (789)	\$ 1,509	\$ 6

See accompanying notes to financial statements.

THE ST. LAWRENCE PARKS COMMISSION

Statement of Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019
(In thousands of dollars)

	Unrestricted	Internally restricted (note 8)	Total 2020	Total 2019
Balance, beginning of year	\$ 3,558	\$ 6,756	\$ 10,314	\$ 10,308
Excess (deficiency) of revenue over expenses	2,298	(789)	1,509	6
Internal transfer (note 8)	(2,298)	2,298	–	–
Balance, end of year	\$ 3,558	\$ 8,265	\$ 11,823	\$ 10,314

See accompanying notes to financial statements.

THE ST. LAWRENCE PARKS COMMISSION

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019
(In thousands of dollars)

	2020	2019
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenses	\$ 1,509	\$ 6
Items not involving cash:		
Amortization of tangible capital assets	4,440	4,421
Amortization of deferred capital contributions	(5,345)	(5,887)
Change in non-cash operating working capital:		
Accounts receivable	(4,611)	1,466
Inventories	–	87
Prepaid expenses	53	(20)
Accounts payable and accrued liabilities	(2,653)	1,173
Deferred contributions	4,090	326
Severance and future employee benefits	132	(121)
	<u>(2,385)</u>	<u>1,451</u>
Financing activities:		
Deferred capital contributions	2,494	4,248
Capital activities:		
Acquisition of tangible capital assets	(1,203)	(2,254)
Increase (decrease) in cash and short-term investments	(1,094)	3,445
Cash and short-term investments, beginning of year	11,457	8,012
Cash and short-term investments, end of year	<u>\$ 10,363</u>	<u>\$ 11,457</u>

See accompanying notes to financial statements.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements

Year ended March 31, 2020
(In thousands of dollars)

1. Governing statutes:

The St. Lawrence Parks Commission (the "Commission"), a Provincial Corporation without share capital and Crown Agency, is subject to and governed by an Ontario Statute, the St. Lawrence Parks Commission Act. The Commission operates several parks, historical sites and other facilities situated on Crown lands in Eastern Ontario, including Upper Canada Village and Fort Henry, intended to provide tourism and recreation opportunities to both residents of, and visitors to the Province of Ontario (the "Province"). The Commission is exempt from federal and provincial income taxes under paragraph 149(1)(d) of the Income Tax Act (Canada).

2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian public sector accounting standards in the Chartered Professional Accountants of Canada (CPA) Handbook. The Commission has elected to apply the accounting standard recommendations applicable solely to government not-for-profit organizations in Sections PS 4200 to PS 4270 of the CICA Public Sector Accounting Handbook. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

(a) Cash and short-term investments:

The Commission's policy is to present in cash and short-term investment bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments that are redeemable at any time without penalty.

(b) Revenue recognition:

The Commission follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are reported as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Retail revenue is recognized when persuasive evidence of an arrangement exists, when the customer has taken possession of the goods, the price to the buyer is fixed or determinable and collection is reasonably assured.

Entrance fees, campsites, golf course, concession and site rentals, sponsorship, and marina docking and storage revenues, are recognized in accordance with the agreement between the parties, when services have been rendered, fees are fixed or determinable and collection is reasonably assured.

Investment income are recorded on the transaction date and resulting revenue are recognized using the accrual method of accounting. Investment income includes interest income, which is recognized on a time apportionment basis.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2020
(In thousands of dollars)

2. Significant accounting policies (continued):

(c) Inventory valuation:

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method.

(d) Tangible capital assets:

Tangible capital assets, including land, acquired before April 1, 1994 are carried at nominal value. Capital assets acquired with Provincial government funds before April 1, 2009 have been expensed rather than capitalized. Tangible capital assets acquired with Provincial government funds after April 1, 2009 have been capitalized at cost.

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis using the following estimated useful lives:

Asset	Useful life
Buildings and other structures	20 to 40 years
Landhold improvements	15 years
Exhibits	10 years
Machinery, equipment, and tools	5 years
Vehicles	5 to 10 years
Computer systems and licenses	3 to 5 years
Office furniture and equipment	3 to 5 years
Structures	5 years

Tangible capital assets grants received by the Commission are deferred and amortized at rates that offset amortization recorded on related tangible capital assets.

When the Commission recognizes that a tangible capital asset no longer has any long-term service potential, the excess of net carrying amount of the tangible capital asset over its residual value is recognized as an expense in the statement of operations.

The costs incurred for major capital projects are classified separately as construction in progress until the project is complete. When complete, the costs are transferred to the appropriate capital asset category and amortization commences.

(e) Salaries, wages and benefits:

These financial statements reflect salaries, wages and benefit costs allocated by the Province of Ontario for those members of the Ontario Public Service ("OPS") who are involved with Commission operations.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2020
(In thousands of dollars)

2. Significant accounting policies (continued):

(f) Severance accrual:

OPS regular employees are entitled to one week of severance pay for each year of service, up to a maximum of six months' pay, when employment ceases because of death, retirement, layoff after one year of continuous service, or for any reason after five years of continuous service other than dismissal for cause and abandonment of position. Unionized employees could no longer accumulate severance after December 31, 2016. Fixed term employees with more than five seasons of continuous service are entitled to such payment only if terminated by the employer. Non-unionized employees could no longer accumulate severance after December 31, 2015. The Commission has accrued the obligation owing to regular employees. Any potential obligation for fixed term employees is recorded only upon termination. Anyone hired after January 1, 2014 is not entitled to severance.

(g) Workplace Safety and Insurance Board:

The Province provides benefits to OPS employees on workers' compensation through the Workplace Safety and Insurance Board (WSIB). The Commission accrues its obligation for this employee benefit. The costs of this benefit is actuarially determined province wide, based on historical and previous experience. Adjustments to the estimated WSIB obligation, if any, are recognized in the year in which supportive computations are made available to the Commission by the WSIB.

(h) Pension plan:

The Province provides pension benefits to its eligible OPS employees through participation in the Public Service Pension Plan (PSP Plan) and the Ontario Public Service Employees' Union Pension Trust (OPSEU Pension Trust). These plans are multi-employer defined benefit pension plans. As the Commission has insufficient information to apply defined benefit plan accounting, the plans have been accounted for as defined contribution pension plans, and the Commission's annual contributions are expensed. According to the Public Service Pension Act any deficiencies of the pension fund are to be paid out of the Consolidated Revenue Fund of the Province of Ontario, and as such no attempt has been made to calculate any amount owing regarding the unfunded liability (if any) with respect to these pension plans.

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Commission has elected to carry all investments at fair value.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2020
(In thousands of dollars)

2. Significant accounting policies (continued):

(i) Financial instruments (continued):

Short-term investments are measured at fair value without any adjustment for transaction costs it may occur on sale or other disposal. All changes in fair value are recorded in the statement of operations.

Financial assets are assessed for indicators of impairment on an annual basis at the end of the fiscal year. Where an indicator of impairment is present, the Commission determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Commission expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

(j) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3. Tangible capital assets:

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Buildings and other structures	\$ 20,292	\$ 5,213	\$ 15,079	\$ 15,791
Landhold improvements	13,848	4,474	9,374	9,376
Exhibits	7,139	5,706	1,433	2,161
Machinery, equipment and tools	4,607	3,412	1,195	1,516
Vehicles	5,372	3,940	1,432	1,603
Computer systems and licenses	3,313	2,866	447	648
Office furniture and equipment	1,839	1,639	200	275
Structures	12,019	5,936	6,083	7,017
Construction in progress	182	—	182	274
	<u>\$ 68,611</u>	<u>\$ 33,186</u>	<u>\$ 35,425</u>	<u>\$ 38,661</u>

Cost and accumulated amortization at March 31, 2019 amounted to \$67,403 and \$28,742, respectively.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2020
(In thousands of dollars)

4. Deferred contributions:

	2020	2019
Prepaid admissions and camping	\$ 1,579	\$ 1,867
Ministry of Tourism, Culture and Sport, unspent funds	4,150	–
Kingston Penitentiary Tours destination marketing (note 12)	637	409
	<u>\$ 6,366</u>	<u>\$ 2,276</u>

5. Deferred contributions - tangible capital assets:

	2020	2019
Ministry of Tourism, Culture and Sport - funding for refurbishment:		
Balance, beginning of year	\$ 15,332	\$ 15,476
Contribution received in current year	2,494	4,248
Amortization	<u>(3,850)</u>	<u>(4,392)</u>
Balance, end of year	13,976	15,332
Ministry of Tourism, Culture and Sport - funding for revitalization:		
Balance, beginning of year	14,764	16,052
Amortization	<u>(1,288)</u>	<u>(1,288)</u>
Balance, end of year	13,476	14,764
Ministry of Tourism, Culture and Sport - infrastructure stimulus funding:		
Balance, beginning of year	3,115	3,293
Amortization	<u>(178)</u>	<u>(178)</u>
Balance, end of year	2,937	3,115
Celebrate Ontario:		
Balance, beginning of year	31	40
Amortization	<u>(9)</u>	<u>(9)</u>
Balance, end of year	22	31
Bike infrastructure program:		
Balance, beginning of year	76	96
Amortization	<u>(20)</u>	<u>(20)</u>
Balance, end of year	56	76
	<u>\$ 30,467</u>	<u>\$ 33,318</u>

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2020
(In thousands of dollars)

6. Due to Province:

On February 6, 2013, the Commission received one-time funding to support a land sales initiative program being currently undertaken with Ontario Infrastructure and Lands Corporation. This funding was provided on an interest free basis, and on the understanding that it will be repaid upon completion of the sale(s). There were no costs incurred during the fiscal year (2019 - \$Nil) relating to the land sales initiative. Costs incurred in the 2014 fiscal year amounted to \$41 and have been capitalized as deferred land costs, which will be recognized in operations against related proceeds on sale.

7. Severance and WSIB accruals and Transition Exit initiative and Voluntary Exit Program:

As part of the government's comprehensive plan to address its fiscal challenges, the Cabinet has approved a time-limited Transition Exit Initiative Expansion and a new Voluntary Exit Program within the OPS. The aim of this initiative is to manage the Ontario Public Sector compensation costs in a way that ensures vital services to citizens are not compromised while avoiding involuntary job losses. Since 2013, the Transition Exit Initiative (TEI) has been available for regular and regular part-time OPS employees who are represented by OPSEU, AMAPCEO, PEGO, ALOC and the OCAA. Effective January 1, 2019, the TEI program was temporarily expanded to regular and regular part-time employees in the following employee groups: Crown Counsel Excluded, Excluded Category Correctional (COR Excluded), Excluded Category Unified (UN Excluded), Management Compensation Plan, and Individual Contributor. The Commission has accrued the obligation owing to eligible employees who have entered these programs and recognizes the offsetting revenue as the program is fully funded by government as the costs are incurred.

	2020	2019
Severance accrual	\$ 529	\$ 592
WSIB benefit accrual	389	389
Transition Exit Initiative and Voluntary Exit Program	195	–
	\$ 1,113	\$ 981

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2020
(In thousands of dollars)

8. Internally restricted net assets:

A portion of net assets has been internally restricted by the Board of Commissioners to fund future capital expenditures. In the current year, the Board of Commissioners approved a deficiency of revenues over expenses of \$789 from these restricted net assets.

The Board of Commissioners has approved the transfer of the 2020 net results of operations of \$2,298 (2019- \$1,028) to the Commission's Internally Restricted Reserve fund, for investment in programs and projects that will best contribute to the financial sustainability of future and ongoing operations.

9. Gross profit from retail operations:

Retail gross profit is comprised of:

	2020	2019
Sales from retail operations	\$ 1,797	\$ 1,806
Cost of goods sold	(1,026)	(1,111)
Gross profit from retail operations	\$ 771	\$ 695

10. Transactions with the Province:

In the normal course of operations, the costs of post-retirement non-pension employee benefits have been paid by the Management Board Secretariat of the Province of Ontario and are not included in the statement of operations of the Commission. Further transactions with the Province of Ontario are as shown below, and are measured at their exchange amount as established and accepted by the parties.

Included in trade payables and accrued liabilities is \$407 (2019 - \$279) due to the Ministry of Finance in connection with payroll expenses and \$Nil (2019 - \$862) due to the Ministry of Finance in connection with unspent capital funding.

During the year, the Commission paid a total of \$14,504 (2019 - \$14,350) in gross payroll expenses to the Ministry of Finance.

Included in Services expenditures is \$96 (2019 - \$82) paid to the Ministry of Finance for various services including advertising, pay stub printing, telephone chargebacks, legal services, environmental assessments, and licenses and \$Nil (2019 - \$12) paid to the Ontario Provincial Police for security services.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2020
(In thousands of dollars)

10. Transactions with the Province (continued):

During the year, the Commission paid the Ministry of Transportation \$Nil (2019 - \$207) for the maintenance of the 1000 Islands Parkway which is included in Supplies and equipment expenses, and paid \$42 (2019 - \$42) to the Ministry of Finance for general liability insurance and provincial licenses.

During the year, the Commission recognized funding totaling \$13,115 (2019 - \$13,246) from the Ministry of Tourism, Culture and Sport, which is included in Provincial government funding and includes funding recognized as deferred capital contributions.

11. Pension plan:

The Commission's contribution to the PSP Plan and the OPSEU Pension Trust for the year ended March 31, 2020 was \$650 (2019 - \$625) and is included in salaries, wages and benefits on the Commission's statement of operations.

12. Program distribution:

Pursuant to an operating agreement entered into with the Corporation of the City of Kingston, covering contracted services in connection with a seasonal 2019 Kingston Penitentiary tour program offering, the Commission has reflected in these 2020 financial statements program entrance receipts of \$3,071 (2019 - \$2,904), both direct and allocated incurred program costs of \$1,550 (2019 - \$1,434) for net receipts of \$1,521 (2019 - \$1,470) as the Commission carries the risks and rewards of this operation. Of the net receipts, the Commission has accrued \$709 (2019 - \$735) paid or payable to the United Way of Kingston, Frontenac, Lennox and Addington (UWKFLA), representing one-half of the net program operating results less \$65 which was the cost of the UWKFLA hosted concert in September to the Kingston Penitentiary tour program offering as per the agreement. The remaining other one-half of the net program operating results plus the \$65 from the UWKFLA concert of \$775 is a marketing contribution to be jointly agreed upon by the Commission and Tourism Kingston. During the year, \$387 in destination marketing costs were agreed upon and spent with the remaining \$387 included in deferred contributions on the Commission's statement of financial position until the parties jointly agree and spend their share of the surplus funds.

13. Remuneration of members:

Total remuneration of members of the Commission was \$10 (2019 - \$6).

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2020
(In thousands of dollars)

14. Commitments:

- (a) The Commission has entered into long-term lease agreements expiring on various dates between June 2019 and June 2024. Under the terms of these agreements, the minimum annual lease payments for the next four years are as follows:

2021	\$	19
2022		14
2023		14
2024		10
		<hr/>
		\$ 57

- (b) The Commission entered into a long-term maintenance contract with the Ministry of Transportation in 1983. An annual payment is made for the maintenance of the 1000 Islands Parkway of \$150, adjusted for inflation, until written notification of termination is made by the Commission, which requires a minimum of eight months to come into effect. There is a commitment of \$214 for the forthcoming financial year.

15. Risk management:

- (a) Credit risk:

The Commission is exposed to credit risk regarding the financial assets recognized on the statement of financial position. The Commission has determined that the financial asset with greater credit risk exposure is trade accounts receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Commission.

The credit risk regarding cash and short-term investments is considered to be negligible because the counterparty is a reputable bank with an investment grade external credit rating.

The trade accounts receivable balances are managed and analyzed on an ongoing basis with a large amount due from the Province where the collection risk is low. Accordingly, the Commission's exposure to doubtful accounts is not significant. The balance in the allowance for doubtful accounts at March 31, 2020 is \$42 (2019 - \$85).

The Commission's management considers that all the above financial assets that are not impaired or past due are of good credit quality.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2020
(In thousands of dollars)

15. Risk management (continued):

(b) Liquidity risk:

The Commission's liquidity risk represents the risk that the Commission could encounter difficulty in meeting obligations associated with its financial liabilities. The Commission is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

The Commission manages its liquidity risk by monitoring its operating requirements. The Commission prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change to the risk exposures from 2019.

16. Subsequent event:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the Commission has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Closures of all facilities operated by the Commission as of March 20, 2020
- Mandatory working from home requirements for those able to do so
- Continuous re-evaluation of the team's work assignments
- Delays in the hiring of seasonal employees
- Revision of 2021 budget projections to estimate the financial impact of various potential scenarios for the upcoming fiscal year to consider the impact on the Commission's liquidity
- Delays in the progress of refurbishment projects due to COVID-19 restrictive measures and extension of deadlines for the related provincial refurbishment funding
- Phased reopening of the facilities are tentative depending on the continued Provincial and Municipal social distancing restrictions. Certain facilities, including the golf courses, have reopened at a limited capacity with implemented safety measures

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

MANAGEMENT'S RESPONSIBILITY FOR ANNUAL REPORTING

The Management of the SLPC are responsible for the financial statements and all other information presented in these statements. The statements have been prepared by management in accordance with the framework identified in Note 2 in the accompanying audited financial statements.

The financial statements include amounts based on best estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the statements are presented fairly, in all material respects.

Management maintains a system of internal accounting and administrative control that is designed to provide reasonable assurance that the financial information is relevant, reliable, accurate and that the Commission's assets are properly accounted for and adequately safeguarded.

The Board of the SLPC is responsible for gaining assurance that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with Management to discuss financial results, auditing matters, financial reporting issues and to satisfy itself that each group is properly discharging responsibilities. The Board reviews the financial statements before recommending approval by the Board.

The financial statements have been audited by KPMG, the Commission's appointed External Auditor and in accordance with Canadian generally accepted auditing standards on behalf of the Commission, Minister of Heritage, Sport, Tourism and Culture Industries and the Provincial Auditor General. KPMG had direct and full access to all Commission records as well as full access to the Board of Commissioners and without the presence of Management to discuss their audit and findings as to the integrity of the Commission's financial reporting.



Hollee Kew
General Manager & CEO
St. Lawrence Parks Commission



Al Adibi
Director, Corporate Services
St. Lawrence Parks Commission