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



Parks of the  
St. Lawrence



# ANNUAL REPORT



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## CONTINUING ON THE PATH OF GROWTH AND PROSPERITY

### MESSAGE FROM THE CHAIR OF THE ST. LAWRENCE PARKS COMMISSION AND THE GENERAL MANAGER AND CEO

Over the past three years, the St. Lawrence Parks Commission has successfully implemented new initiatives and structural changes to develop a sustainable business model that will provide a solid foundation for continued growth as part of our Alive in Five strategic renewal plan. The SLPC will continue to focus on preserving the core products (Upper Canada Village and Fort Henry) while enriching its product mix through events and programs that are non-dilutive to

the existing brand or core heritage role and relevant to current market demands. We will continue to grow business in a manner consistent with regional economic benefit while positioning the SLPC brand first in the marketplace. Our tactical focus is to spend time and investments only on value-added initiatives and to eliminate waste through Kaizen activities.

Now in the second phase of our Alive in Five strategic renewal plan, the SLPC is pleased to report that it has achieved net revenues from operations of \$8.587M, an increase of \$333K over 2012/13 for the year ending March 31, 2014. The SLPC has surpassed its operating net revenue target and will recognize a favourable net revenue of \$1.296M which will be redeployed to new product and self-sufficiency initiatives to further improve future performance. Considering the many challenges in the economy, this is a considerable achievement and provides the SLPC with confidence in the strategic path it is following. Focused cost structure improvements, dedication to improving margins throughout all of the business operations, continued commitment to Lean-Kaizen initiatives, strategic investment and product development with staff engagement have all led to this success.

The SLPC acknowledges the strong support of \$300K from the Government of Ontario's Celebrate Ontario grant program towards innovations in four events at Upper Canada Village and Fort Henry National Historic Site of Canada. Some of these resources were invested in the creation of a new experiential, 'must see' display at Upper Canada Village's fall event Pumpkinferno. This event, which was launched in 2012, continued to grow and prosper in its second year, hosting almost 40,000 visitors over 22 nights during October, a time which would have been considered to be the off-season just a few years ago. This unique and creative new event was recognized as Ontario's Tourism Event of the Year by the Tourism Industry Association of Ontario, Best New Event in Ontario by Festivals and Events Ontario and as New Company of the Year by Ottawa Tourism. Upper Canada Village successfully launched a new culinary event in August, was a site rental for movie filming and made improvements to its core season programming and the winter lights festival Alight at Night. Together these factors contributed to helping Upper Canada Village to achieve its business targets.

A special commemorative ceremony was held at the Chrysler's Farm Battlefield Memorial on November 11, 2013 to mark the 200th anniversary of the historic War of 1812 Battle of Chrysler's Farm. The SLPC was pleased to host Prime Minister of Canada Stephen Harper who spoke to an attentive audience filled with hundreds of schoolchildren and later laid a wreath at the monument.

At Fort Henry National Historic Site of Canada, a number of new products and program enhancements were introduced. The world-famous Sunset Ceremonies were revitalized with the addition of cutting edge 2.5 D video technology to complement the live performance of the Fort Henry Guard with a visual commentary of a soldier's life. This new technology was also used to add new special effects to the fall event Fort Fright. Celebrate Ontario provided funding support to both Fort Fright and to a concert series in July and August that featured four performances from symphonic to pop musicians. Fort Henry launched Kingston's newest shopping district with a new Trade Square initiative featuring local wineries, artists and artisans in the historic casemates of the Upper Fort. Other program improvements coupled with significant cost containment measures resulted in realization of budget targets.

Parks and Beaches were negatively affected by the significant amount of poor weather which played havoc on its most vulnerable program areas, namely the day-use facilities. As a result of investment in the campground infrastructure, the achievement of its seasonal camper revenues and the implementation of

significant cost containment efforts, Parks and Beaches were able to offset the downturn in revenues and achieve a first time \$1M favourable net revenue position. Crysler Park Marina, while also affected by the rainy weather throughout the 2013 operating season, was successful in growing its seasonal boater market, and will begin to realize the benefits of the installation of two new storage facilities and a hydraulic lift to contribute new monies to the operation through expansion of its winter storage program. Upper Canada Golf Course continued to strive for business improvement and accomplished a favourable net revenue through its reworking of the restaurant services and the positive impact of hosting the PGA Tour Canada golf tournament, The Great Waterway Classic, in August. This professional golfing event provided the golf course team with the opportunity to work with a world class-organization and professional players and brought extensive regional, provincial and national media coverage and profile.

The innovative Reciprocal Program that the SLPC introduced in 2012 to stimulate cross-attraction visitation continued to grow in popularity with visitors. In 2013 over 20,000 visits were redeemed. This initiative remains one of the best vacation deals for families in Ontario.

Recent improvements and successes in business performance have reinforced the SLPC's commitment to its strategic direction and strengthened employee engagement, which plays a key role in transforming the business units and maximizing efficiencies. A number of strategies are in place to drive employee performance, accomplishment and continuous improvement. These strategies include the awarding of the Hero's Cup to recognize employees demonstrating service excellence, holding quarterly All-Hands meetings to ensure a broad understanding of SLPC business goals and direction, and seeking input and feedback through All Staff surveys.

In 2013/14, the General Manager/CEO initiated Skip Level Meetings to engage directly with frontline employees; established a Wellness Committee to plan and promote initiatives that encourage habits of wellness, increase awareness of factors and resources that contribute to well-being, inspire and empower individuals to take responsibility for their own physical and mental health and support a sense of community/team to develop a positive culture focused on celebrating and improving the quality of life for all employees.

SLPC's focus on safety both for staff and visitors remains a high priority. Through Safety Performance Index (SPI), Safety Talks, an increase in root cause analysis and a general heightened awareness amongst staff, incidents for staff and visitors have declined significantly over the past three years.

The SLPC continues to work hard to successfully expand its network of partners including tourism organizations, private tourism business operators, corporate brand businesses, service and product suppliers, municipalities and media. These strategic alliances play an integral role in SLPC's ability to expand programs, leverage marketing dollars, and maximize exposure while strengthening and building community relationships.

One significant example of how these positive relationships can realize the benefit of working together is the United Counties of Leeds and Grenville's commitment of \$400K towards the completion of Phase 2 of the refurbishment of the 1000 Islands Recreational Trail along the 1000 Islands Parkway between Gananoque and Brockville. This significant contribution will allow the SLPC to complete this important capital project for the enjoyment of residents, tourists and recreational enthusiasts. Results such as these encourage the SLPC to continue to work hard fostering these important partnerships.

We would like to thank the Ministry of Tourism, Culture and Sport for its investment in the SLPC and the staff for their continued support throughout the year. We would also like to recognize our Board of Commissioners, our senior leadership team and staff for their dedication and commitment to the customer experience and stewardship of some of Ontario's most treasured assets throughout our portfolio.

Sincerely,



Ian Wilson  
Chair



Darren Dalgleish  
General Manager & CEO



## SLPC BOARD OF COMMISSIONERS 2013/14

### Chair:

Ian Wilson  
Kingston  
April 18, 2012 - April 17, 2015

### Commissioners:

Carmen Cousineau  
Cornwall  
March 23, 2011 - March 22, 2017

Linda Ann Daly  
Kingston  
April 24, 2013 - April 23, 2016

Vincent Durant  
Kingston  
September 12, 2012 - September 11, 2015

Margaret Fancy  
Mallorytown  
October 23, 2013 - October 22, 2016

Richard Fawthrop  
Cornwall  
June 6, 2007 – July 17, 2013

John E. Fischl  
Maitland  
September 15, 2010 - September 14, 2016

James Garrah  
Gananoque  
October 30, 2013 - October 29, 2016

J. R. (Jack) McIntosh  
Winchester  
August 8, 2005 – August 8, 2013

Lloyd Therien  
Kingston  
May 30, 2007 – June 22, 2013

## SENIOR LEADERSHIP TEAM 2013/14

Darren Dalgleish  
General Manager & CEO

Bonnie VanMoorsel  
Executive Assistant to the CEO

Bryan Mercer  
Director, Marketing

Faye Baker  
Manager, Finance and Human Resources

Geoff Waycik  
Manager, Upper Canada Village

Will Baird  
Manager, Fort Henry National Historic Site of Canada

Lou Seiler  
Manager, Parks and Recreational Facilities

## OUR MANDATE

The SLPC was established in 1955 and is an Operational Enterprise 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 Tourism, Culture and Sport's efforts to strengthen Ontario's tourism industry. 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.



## OUR MISSION

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

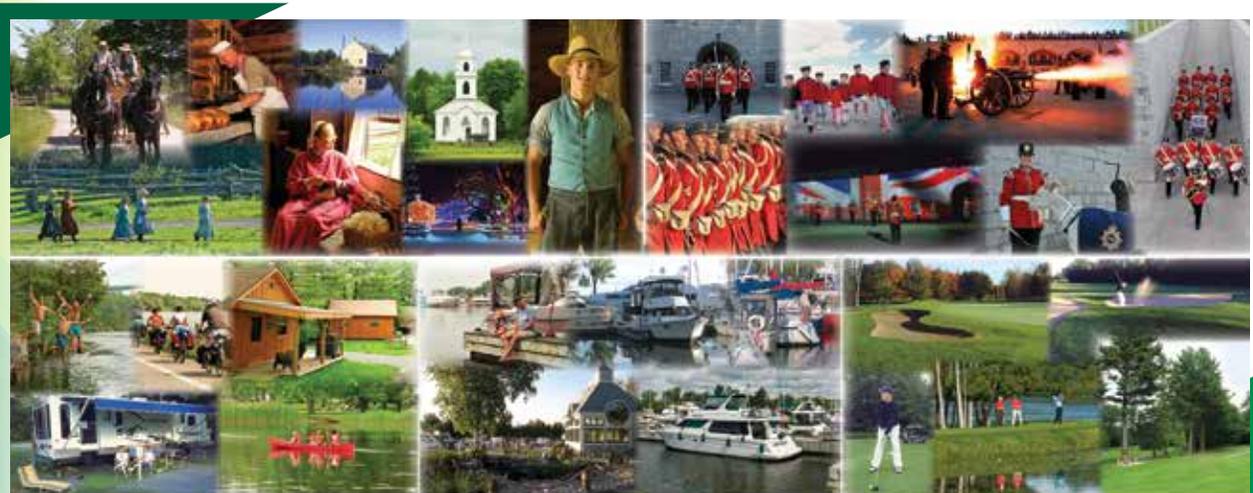
It is a revenue-generating tourism business offering customer-focused entertaining and educational experiences that maximize its natural, leisure and heritage assets.

## LEGISLATIVE AUTHORITY

SLPC operates under the authority of the St. Lawrence Parks Commission Act; and reports to the provincial government through the Minister of Tourism, Culture and Sport. 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 Commission supports its operations through:

- Fees charged at its attractions and retail outlets and revenue generated via concessionaires;
- A transfer payment from the Government of Ontario, and
- Land-use lease agreements, donations, sponsorships and partnership advertising funds in support of its facilities and programming.



# BUSINESS OBJECTIVES FOR THE REPORTING PERIOD 2013/14

## 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.
- The 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.
- The SLPC is committed to responding to the needs of its visitors through service and courtesy.
- The SLPC is dedicated to communicating effectively with visitors, staff, community leaders, associations, private tourism operators and the Ministry of Tourism, Culture and Sport.
- The 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.
- The SLPC is committed to responsible and ethical management of its attractions, facilities and services.
- The 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 as a whole.
- To acquire, preserve, develop and maintain historic and recreational resources within the 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 other facilities which enhance the SLPC's contribution to tourism development, recreation, learning and heritage conservation.
- To provide the SLPC's services and facilities at a high standard of excellence for the recreational and learning enjoyment of its visitors.

## STRATEGIC DIRECTION – MOVING FORWARD

The SLPC will continue to be guided by the Strategic Framework of "Alive in Five" to achieve our business sustainability goals. Successful execution of all of the framework elements will ensure that the SLPC is collectively and directly contributing to its strategic business plan. The SLPC will build on its successes to achieve financial sustainability and the ultimate goal of fulfilling its stewardship commitment of our lands and heritage attractions.

Over the past three years, the SLPC has successfully implemented new initiatives and structural changes to develop a sustainable business model that will provide a solid foundation for continued growth. Most notable is the decentralization of the SLPC and the subsequent creation of five operating business units. The SLPC will continue to build on this foundation of the framework, driving profit-based decisions that will preserve the core product and enrich our product mix and growth initiatives.

## **PILLAR I - DEVELOP A HEALTH, SAFETY AND ENVIRONMENTAL CULTURE**

The SLPC is striving to develop a “safety-first” culture that will create a healthy work environment where employees feel safe at all times and leave a minimal environmental footprint in every location where we operate. SPI and root cause analysis will inform our safety progress. The SLPC’s newly developed Multi-year Accessibility Plan will ensure the SLPC meets Ontario’s accessibility laws and removes accessibility barriers. The establishment of the SLPC Wellness Committee will encourage and promote habits of wellness among SLPC employees.

## **PILLAR II - ACHIEVE OPERATIONAL EXCELLENCE**

The SLPC will continue to improve overall performance by moving from a revenue-focused model to a margin-focused model. Through the aggressive employment of Lean Kaizen, the 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 divisions. Continued focus on budget adherence through variance analysis, metrics and accountability will improve overall financial performance. Further, the SLPC will maintain a continuous effort to outpace inflation with cost structure improvements.

## **PILLAR III - EXPAND PRODUCT AND SERVICES OFFERING “PRESERVE THE CORE, ENRICH THE PRODUCT MIX”**

The SLPC will focus on increased profitability of major attractions and enrich our product mix while aligning its resources with consumer demand. The SLPC will continue to offer to our existing and potential clients a broad range of competitive products and services and be perceived as industry innovators through exceptional creativity, depth and capacity with a focus on high-yield programming and special events. Reinvestment of operational gains to grow and enhance programs and product mix will contribute to organizational and financial sustainability. The Preservation of our Core Heritage sites is paramount and new product will be considerate of heritage impact such that new offerings are non-dilutive to our core product.



## **PILLAR IV - RETAIN AND DEVELOP OUR CUSTOMER BASE**

Special events, thematic daily/weekend programming, perceived “value for money” and strengthened SLPC brand will attract new visitors and returning customers and increase group sales. The SLPC believes in both organic growth and deeper market penetration and will tailor our offerings accordingly.

## **PILLAR V - BUILD A TALENTED AND COMMITTED WORKFORCE**

The SLPC will excel at attracting, developing and retaining competent and flexible personnel to support an ever-evolving, high-performing organization; through effective leadership and employee engagement, the SLPC’s focus will be to build a culture of continuous improvement and personal accountability. Investment in the educational development of our staff will continue in all professional and personal development categories. Bi-annual Lean/Kaizen certification training for 50 people per year will continue until all staff is versed.



## ATTRACTION ACTIVITY PERFORMANCE

ATTRACTION	2013/14	2012/13	VARIANCE	VARIANCE (%)
Fort Henry (admissions)	91.5	91.1	0.4	0.44
Upper Canada Village (admissions)	188.9	181.4	7.5	4.13
Campgrounds & Beaches (nights/admissions)	121.8	120.3	1.5	1.25
Upper Canada Golf Course (rounds & rentals)	18.6	18.8	-0.2	-1.06
Crysler Park Marina (docked footage)	769	726	43	5.92

## FINANCIAL PERFORMANCE

### OPERATIONS

In 2013/14, the SLPC generated \$8.587M in revenue from operations, realizing an increase of \$333K or 4% over 2012/13. In addition, SLPC received provincial government operating funds in the amount of \$7.449M. The SLPC reported operating expenses of \$14.239M and disbursed \$553K from its internally restricted reserve for strategic priority projects (e.g., marketing campaign, Pumpkinferno, Fort Fright, Crysler Park Marina, Camper Cabins, etc.).

### CAPITAL INVESTMENT

SLPC is steward of 7,000 acres of land over a 200 km stretch from Kingston to the Quebec border. Operations include two historic attractions, 13 parks and campgrounds, two parkways, a long distance recreational trail, a wildlife sanctuary, a golf course, a marina, and gift and retail stores. For accounting purposes, SLPC's amortized capital assets – excluding land and roads are valued at \$38.5M.

The SLPC has over \$21M in deferred maintenance capital infrastructure requirements which are on the Ministry of Tourism, Culture and Sport's Asset Management Information System (AMIS) - 2010 costing estimates. These remain a pressure to SLPC as they are not currently funded. Approximately \$7M is related to AMIS priorities one to three and about \$14M related to other high priority projects.

In 2013/14, SLPC received \$4.908M in capital funding with \$4.469M being directed to projects necessary to comply with legislative and regulatory requirements and a number of high-priority projects that were vital to ensuring the safety of staff and visitors to our recreational and heritage sites. The completed projects include replacement and upgrade of the sewage treatment plant at Farran Park, water supply and well management, maintenance of waste disposal and treatment systems, structural repairs to heritage buildings, electrical and HVAC (heating, ventilation and air conditioning) upgrades to meet building code requirements, road maintenance and repair, washroom upgrades and Fort Henry structural maintenance. The remaining \$438.4K was directed to the refurbishment of the existing infrastructure including building repairs and the replacement of maintenance machinery and equipment.

The chart below provides a summary of the capital projects undertaken in 2013/14 based on business unit:

BUSINESS UNIT	Capital Investment 2013/14
Fort Henry	\$690,000
Upper Canada Village	\$1,069,000
Campgrounds & Beaches	\$1,843,700
Crysler Park Marina	\$106,800
Upper Canada Golf Course	\$118,600
Corporate	\$1,080,000
<b>TOTAL</b>	<b>\$4,908,100</b>



**The St. Lawrence Parks Commission**  
**Financial Statements**  
**March 31, 2014**

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## **Independent Auditor's Report**

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

**Raymond Chabot Grant Thornton LLP**

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Ottawa, Ontario K1H 1E4

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Fax: 613-236-6104  
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We have audited the accompanying financial statements of The St. Lawrence Parks Commission, which comprise the statement of financial position as at March 31, 2014 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Basis for qualified opinion**

Note 2 indicates that in accordance with past provincial policy, the Commission had not capitalized assets before April 1, 1994. Moreover, assets acquired before April 1, 2009 with provincial government funding have not been capitalized. In these respects, the financial statements are not in accordance with Canadian public sector accounting standards. The effects of these departures from Canadian public sector accounting standards on the financial statements have not been determined. Our audit opinion on the financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this misstatement.

**Qualified opinion**

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The St. Lawrence Parks Commission as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Raymond Chabot Grant Thornton LLP*

Chartered Accountants,  
Licensed Public Accountants

Ottawa, Canada  
June 26, 2014

# The St. Lawrence Parks Commission

## Financial Position

March 31, 2014

(In thousands of dollars)

	2014	2013
	\$	\$
<b>ASSETS</b>		
Current		
Cash	7,608	8,940
Trade and other receivables (Note 3)	841	617
Inventories (Note 4)	491	530
Prepaid expenses	57	47
	<u>8,997</u>	<u>10,134</u>
Long-term		
Tangible capital assets (Note 5)	38,495	36,122
Deferred land costs	41	
Other long-term assets		19
	<u>47,533</u>	<u>46,275</u>
<b>LIABILITIES</b>		
Current		
Trade and other operating liabilities	924	1,067
Deferred contributions (Note 6)	3,010	4,787
Accrued liabilities	473	495
	<u>4,407</u>	<u>6,349</u>
Long-term		
Deferred contributions - tangible capital assets (Note 7)	36,088	34,201
Due to Province (Note 8)	300	300
Severance and future employee benefits (Note 9)	1,008	991
	<u>41,803</u>	<u>41,841</u>
<b>NET ASSETS</b>		
Unrestricted	2,557	2,557
Internally restricted (Note 10)	3,173	1,877
	<u>5,730</u>	<u>4,434</u>
	<u>47,533</u>	<u>46,275</u>

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

On behalf of the Board,



Director



Director

# The St. Lawrence Parks Commission Operations

Year ended March 31, 2014  
(In thousands of dollars)

	2014		2013
	Unrestricted	Internally restricted (Note 10)	Total
	\$	\$	\$
<b>OPERATING REVENUES</b>			
Entrance receipts	3,166		3,166
Camping	2,604		2,604
Gross profit from retail operations (Note 11)	818		818
Golf course	506		506
Concession and site rentals	477		477
Sponsorships	316		316
Marina docking and storage	507		507
Investment income	70		70
Miscellaneous	123		123
	<u>8,587</u>	<u>-</u>	<u>8,587</u>
<b>OPERATING EXPENDITURES</b>			
Salaries, wages and benefits (Note 13)	10,227		10,227
Services	2,627	250	2,877
Supplies and equipment	1,102	59	1,161
Transportation and communication	151	6	157
Amortization of tangible capital assets	118	238	356
Miscellaneous	14		14
	<u>14,239</u>	<u>553</u>	<u>14,792</u>
Operating deficit before the following:	<u>(5,652)</u>	<u>(553)</u>	<u>(6,205)</u>
<b>OTHER REVENUES (EXPENDITURES)</b>			
Provincial government funding			
Operational	7,449	75	7,524
Refurbishment	3,155		3,155
Revitalization	1,565		1,565
Other funding		178	178
	<u>12,169</u>	<u>253</u>	<u>12,422</u>
Refurbishment			
Expenditures	(2,129)		(2,129)
Asset disposal			38
Amortization of tangible capital assets	(1,069)		(1,069)
	<u>(3,198)</u>	<u>-</u>	<u>(2,845)</u>
Revitalization			
Expenditures	(7)		(7)
Amortization of tangible capital assets	(1,538)		(1,538)
	<u>(1,545)</u>	<u>-</u>	<u>(1,254)</u>
Other expenditures		(178)	(178)
Provincial government operational funding	7,426	75	7,501
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,774</u>	<u>(478)</u>	<u>1,296</u>

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

# The St. Lawrence Parks Commission

## Changes in Net Assets

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Year ended March 31, 2014  
(In thousands of dollars)

	2014		2013	
	Unrestricted	Internally restricted (Note 10)	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	2,557	1,877	4,434	3,779
Excess (deficiency) of revenues over expenditures	1,774	(478)	1,296	655
Interfund transfers	(1,774)	1,774	-	-
Balance, end of year	2,557	3,173	5,730	4,434

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

## Cash Flows

Year ended March 31, 2014  
(In thousands of dollars)

	2014	2013
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenditures	1,296	655
Non-cash items		
Amortization of tangible capital assets	3,139	2,490
Amortization of deferred contributions - tangible capital assets	(2,862)	(2,288)
Changes in working capital items		
Trade and other receivables	(224)	299
Inventories	39	39
Trade and other operating liabilities	(143)	(4,043)
Deferred contributions	(2,037)	(928)
Prepaid expenses	(10)	29
Accrued liabilities	(22)	63
Cash flows from operating activities	(824)	(3,684)
<b>CAPITAL ACTIVITIES</b>		
Other long-term assets	19	19
Acquisition of tangible capital assets	(5,512)	(6,945)
Deferred land costs	(41)	
Cash flows used in investing activities	(5,534)	(6,926)
<b>FINANCING ACTIVITIES</b>		
Deferred contributions - tangible capital assets	5,009	5,679
Due to Province		300
Change in severance and future employee benefits	17	(40)
Cash flows from financing activities	5,026	5,939
<b>Net decrease in cash</b>	<b>(1,332)</b>	<b>(4,671)</b>
Cash, beginning of year	8,940	13,611
Cash, end of year	7,608	8,940

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

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2014

(In thousands of dollars)

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### **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. The Commission is exempt from federal and provincial income taxes under paragraph 149(1)(d) of the Income Tax Act (Canada).

### **2 - SUMMARY OF ACCOUNTING POLICIES**

#### **Basis of presentation**

The Commission's financial statements are 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.

#### **Accounting estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Commission may undertake in the future. Actual results may differ from these estimates.

#### **Financial assets and liabilities**

In 2013, the Commission applied the recommendations of new Sections PS 1201, Financial Statement Presentation, and PS 3450, Financial Instruments, of the CPA Public Sector Accounting Handbook. These new sections required prospective application and, accordingly, comparative amounts are presented in accordance with the accounting policies which the Commission applied before adoption of these new sections.

#### *Initial measurement*

The Commission recognizes a financial asset or a financial liability on the statement of financial position when, and only when, it becomes a party to the contractual provisions of the financial instrument. Unless otherwise stated, financial assets and liabilities are initially measured at cost.

#### *Subsequent measurement*

At each reporting date, the Commission measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets), except for any investments in listed securities which are measured at fair value. Additionally, because the Commission defines and implements a risk management or investment strategy to manage and evaluate the performance of investments on a fair value basis, these investments are included in the category of financial instruments measured at fair value by designating that fair value measurement shall apply.

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2014  
(In thousands of dollars)

### 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

The Commission determines whether there is any objective evidence of impairment of the financial assets, for both financial assets subsequently measured at amortized cost and financial assets subsequently measured at fair value. Any financial asset impairment is recognized in the statement of operations and, in the case of a financial asset classified to the fair value category, the reversal of any net remeasurements is presented in the statement of remeasurement gains and losses when an impairment is recognized.

#### Inventory valuation

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

#### Tangible capital assets

##### *Amortization*

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 amortized over their estimated useful lives according to the straight-line method over the following periods:

	<u>Periods</u>
Buildings and other structures	20 - 40 years
Landhold improvements	15 years
Exhibits	10 years
Machinery, equipment, and tools	5 years
Vehicles	5 - 10 years
Computer systems and licenses	3 - 5 years
Office furniture and equipment	3 - 5 years
Structures	5 years

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

##### *Write-down*

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 St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2014

(In thousands of dollars)

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### **2 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

#### **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 goods have been sold and collection is reasonably assured.

Entrance fees, campsites, golf course, concession and site rentals, marina docking and storage, and sponsorships revenues, are recognized when services have been rendered and collection is reasonably assured.

Investment income is recognized based on the number of days the investment was held during the year and is calculated using the effective interest method.

#### **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.

#### **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. Fixed term employees with more than five seasons of continuous service are entitled to such payment only if terminated by the employer. The Commission has accrued the obligation owing to regular employees. Any potential obligation for fixed term employees is recorded only upon termination.

#### **Workplace Safety and Insurance Board**

The Province provides benefits to OPS employees on workers' compensation through the Workplace Safety and Insurance Board (WSIB). 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.

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2014  
(In thousands of dollars)

### 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

#### 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.

### 3 - TRADE AND OTHER RECEIVABLES

	<u>2014</u>	<u>2013</u>
	\$	\$
Trade accounts receivable	782	534
Receivable from the Ministry of Finance	<u>66</u>	<u>90</u>
	848	624
Doubtful accounts	<u>7</u>	<u>7</u>
	<u><u>841</u></u>	<u><u>617</u></u>

### 4 - INVENTORIES

The total carrying amount of inventories at cost is \$491 (2013 - \$530). No inventories are carried at net realizable value or at fair value less selling costs. Year-end inventory values are comprised of:

	<u>2014</u>	<u>2013</u>
	\$	\$
Retail stores	342	378
Maintenance parts and replacements	117	152
Firewood	<u>32</u>	<u>          </u>
	<u><u>491</u></u>	<u><u>530</u></u>

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2014

(In thousands of dollars)

### 5 - TANGIBLE CAPITAL ASSETS

			2014	2013
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Buildings and other structures	16,745	1,035	15,710	15,314
Landhold improvements	10,216	1,000	9,216	8,862
Exhibits	7,132	1,531	5,601	6,314
Machinery, equipment and tools	2,521	753	1,768	760
Vehicles	2,884	1,513	1,371	1,368
Computer systems and licenses	1,751	920	831	1,106
Office furniture and equipment	1,381	1,035	346	510
Structures	3,462	1,017	2,445	1,488
Construction in progress	1,207		1,207	400
	<b>47,299</b>	<b>8,804</b>	<b>38,495</b>	<b>36,122</b>

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2014

(In thousands of dollars)

### 6 - DEFERRED CONTRIBUTIONS

	<u>2014</u>	<u>2013</u>
	\$	\$
Prepaid admissions and camping	<u>1,114</u>	<u>973</u>
Ministry of Tourism, Culture and Sport - funding for refurbishment		
Balance, beginning of year	3,412	1,925
Contributions	4,450	5,936
Expenditures	<u>(5,966)</u>	<u>(4,449)</u>
Balance, end of year	<u>1,896</u>	<u>3,412</u>
Ministry of Tourism, Culture and Sport - funding for Fort Henry refurbishment		
Balance, beginning of year		29
Expenditures		<u>(29)</u>
Balance, end of year	<u>-</u>	<u>-</u>
Ministry of Tourism, Culture and Sport - funding for revitalization		
Balance, beginning of year	402	2,924
Contributions	458	737
Expenditures	<u>(860)</u>	<u>(3,259)</u>
Balance, end of year	<u>-</u>	<u>402</u>
Ministry of Tourism, Culture and Sport - 50th Anniversary Celebration		
Balance, beginning of year		50
Expenditures		<u>(50)</u>
Balance, end of year	<u>-</u>	<u>-</u>
Other deferred contributions	<u>3,010</u>	<u>4,787</u>

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2014

(In thousands of dollars)

### 7 - DEFERRED CONTRIBUTIONS - TANGIBLE CAPITAL ASSETS

	<u>2014</u>	<u>2013</u>
	\$	\$
Ministry of Tourism, Culture and Sport - funding for refurbishment		
Balance, beginning of year	7,053	5,448
Tangible capital additions	3,850	2,427
Amortization	<u>(1,040)</u>	<u>(822)</u>
Balance, end of year	<u>9,863</u>	<u>7,053</u>
Ministry of Tourism, Culture and Sport - funding for revitalization		
Balance, beginning of year	22,833	20,827
Tangible capital additions	858	3,256
Amortization	<u>(1,565)</u>	<u>(1,250)</u>
Balance, end of year	<u>22,126</u>	<u>22,833</u>
Ministry of Tourism, Culture and Sport - infrastructure stimulus funding		
Balance, beginning of year	4,183	4,361
Amortization	<u>(178)</u>	<u>(178)</u>
Balance, end of year	<u>4,005</u>	<u>4,183</u>
Celebrate Ontario		
Balance, beginning of year	132	174
Amortization	<u>(38)</u>	<u>(42)</u>
Balance, end of year	<u>94</u>	<u>132</u>
	<u>36,088</u>	<u>34,201</u>

### 8 - DUE TO PROVINCE

On February 6, 2013, the Commission received one-time funding to support the land sales initiative that the Commission is currently undertaking with Ontario Infrastructure and Lands Corporation. This funding is provided on an interest free basis, and on the understanding that it will be repaid upon completion of the sale(s).

Costs incurred during the year relating to the land sales initiative amount to \$41 and have been capitalized as deferred land costs, which are to be recognized in operations against related proceeds on sale.

### 9 - SEVERANCE AND FUTURE EMPLOYEE BENEFITS

	<u>2014</u>	<u>2013</u>
	\$	\$
Severance accrual	854	808
WSIB benefit accrual	<u>154</u>	<u>183</u>
	<u>1,008</u>	<u>991</u>

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2014

(In thousands of dollars)

### 10 - 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 expenditures of \$478 from these restricted net assets.

The Board of Commissioners has approved that the 2014 operating profit of \$1,774 be redirected to the Commission's Tourism Development Fund for investment in programs and projects that will best contribute to the financial sustainability of operations.

### 11 - GROSS PROFIT FROM RETAIL OPERATIONS

Retail gross profit is comprised of:

	<u>2014</u>	<u>2013</u>
	\$	\$
Sales from retail operations	1,712	1,816
Cost of goods sold	<u>894</u>	<u>954</u>
Gross profit from retail operations	<u>818</u>	<u>862</u>

### 12 - TRANSACTIONS WITH THE PROVINCE OF ONTARIO

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 and other receivables is \$66 (2013 - \$90) due from the Ministry of Finance regarding payroll expenses. Included in trade and other operating liabilities is \$194 (2013 - \$287) due to the Ministry of Finance in connection with payroll expenses.

During the year, the Commission paid a total of \$10,832 (2013 - \$11,672) in gross payroll expenses to the Ministry of Finance.

Included in Services expenditures is \$45 (2013 - \$67) paid to the Ministry of Finance for various services including advertising and pay stub printing, and \$10 (2013 - \$10) paid to the Ontario Provincial Police for security services.

During the year, the Commission paid the Ministry of Transportation \$201 (2013 - \$201) for the maintenance of the 1000 Islands Parkway which is included in Supplies and equipment expenditures, and paid \$27 (2013 - \$27) to the Ministry of Finance for general liability insurance and provincial licenses.

Included in Construction in progress and in subsequently capitalized amounts is \$61 (2013 - \$2,806) paid to the Ontario Infrastructure and Lands Corporation for project management services.

During the year, the Commission recognized funding totaling \$12,422 (2013 - \$11,923) from the Ministry of Tourism, Culture and Sport, which is included in Provincial government funding.

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2014

(In thousands of dollars)

### **13 - PENSION PLAN**

The Commission's contribution to the PSP Plan and the OPSEU Pension Trust for the year ended March 31, 2014 was \$518 (2013 - \$543) and is included in salaries, wages and benefits.

### **14 - REMUNERATION OF MEMBERS**

Total remuneration of members of the Commission was \$7. (2013 - \$11)

### **15 - COMMITMENTS**

- a) The Commission has entered into long-term lease agreements expiring on various dates between 2014 and 2018 which require lease payments of \$59. The minimum lease payments for the next four years are \$34 in 2015, \$17 in 2016, \$7 in 2017, and \$1 in 2018.
- 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 \$232 for the forthcoming financial year.
- c) The Commission has entered into a long-term agreement with Parks Canada to provide funding for Conservation Program Maintenance Projects to be expended during the period from 2011 to 2017. The agreement requires total funding of \$2,800 with payments of \$400 per year beginning in 2011 and each year thereafter.

### **16 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

#### **Financial risks**

The Commission is exposed to, and manages, various financial risks resulting from both its operations and its investments activities, and does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Main financial risk exposure is as follows:

#### *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 cash equivalents is considered to be negligible because the counterparty is a reputable bank with an investment grade external credit rating.

#### *Interest rate risk*

The Commission is exposed to interest rate risk with respect to financial assets and liabilities bearing fixed and variable interest rates.

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2014

(In thousands of dollars)

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### **16 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

#### *Concentration risk*

All of the Commission's cash and short-term investments are held at the same financial institution.

#### **Carrying amount of financial assets by categories**

The Commission's financial assets, totaling \$8,449 (\$9,557 as at March 31, 2013), have all been classified as financial assets measured at amortized cost, less any reduction for impairment.

### **17 - COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year. Specifically, funding of \$300 received in the prior year which was originally recorded as deferred revenue has been reclassified as a long-term interest free loan as described in Note 8.