



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



Parks of the  
St. Lawrence

# ANNUAL REPORT



## 2008



## 2009



## **LETTER FROM THE CHAIRMAN & CEO**

Dear Minister:

The St. Lawrence Parks Commission (SLPC) made significant progress on its quest for long-term sustainability during 2008/09. A number of important initiatives were undertaken that will help revitalize SLPC's heritage attractions and recreational facilities as well as re-focus operations for long term viability:

### **New "Customer first" approach**

The SLPC's new mission, encompassing a customer first approach and pro-active marketing as its drivers, was rolled out across all operations with a strong focus on engaging, enriching, entertaining and educating our visitors while recognizing the need to enhance net revenue generation to sustain our long-term operations and stewardship of heritage buildings.

An extensive "operational review" was undertaken by KPMG consultants with results used to inform business planning and identify necessary organizational change.

### **New revenue-generating initiatives**

A number of new revenue-generating initiatives were tested and/or implemented, with many showing good return on investment. For instance, 111 RV sites were upgraded and ready for mid-June, the new Marker 72 Dockside Patio was launched, marina and golf facilities were upgraded, and combo-ticketing was expanded at heritage attractions.

Special events were expanded at both Fort Henry and Upper Canada Village, most notably Fort Fright and the Medieval Festival. Not only did these new special events generate about 40,000 in incremental visitors and \$440K in revenues, but SLPC received a record \$460K in Celebrate Ontario Festival funding plus another \$22K in OTMP marketing support. Fort Henry also hosted such notable and large events as the World Canals Conference, North American Police Equestrian Championships, Kingston Symphony 1812 Overture, Queen's University – K-Rock Back to School Bash. Fort Henry also hosted a visit from Prince Edward, Earl of Wessex. In Morrisburg, Upper Canada Village commemorated the 50th anniversary of the St. Lawrence Seaway flooding with a special exhibit at Crysler Hall. New programming at Upper Canada Village introduced a new participative "Flavours of Autumn" program; and an expansion of Alight at Night with new interior events and an Enchanted Forest. We augmented Upper Canada Village's heritage programming with new Pre-Confederation Days, the Travelling Tiltens Musical Revue, more 19th century weddings and new participative activities like mattress stuffing and candle-making on selected days. Through a partnership with the Masons of Eastern District, Upper Canada Village opened a new Masonic Lodge building and held a cornerstone laying ceremony.

The 50th anniversary of the Seaway was highlighted at the new Ontario Power Generation (OPG) sponsored "community pavilion" via a live play called "A Seaway Story" produced after its successful run at Upper Canada Playhouse. The pavilion was also used to host several evening live music and movie nights, a test initiative, as well as serve as indoor boat storage over the winter months.





## Partnerships

We continued our successful partnership with the Catholic District School Board of Eastern Ontario and its “Specialist High Skills Major in Construction” program and installed a new camper cabin at Riverside-Cedar and built one for Ivy Lea. This program provides hands-on learning to high school students as well as instills pride in the finished product.

Food service contracts at Fort Henry and Upper Canada Golf Course were re-tendered, resulting in significant improvement in SLPC returns.

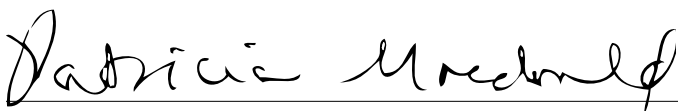
A careful review of our operations resulted in price increases on most SLPC offerings, in order to cover contractual wage increases as well as to improve revenues to maintain upkeep on our aging infrastructure. Capital improvements valued at \$3.4 million with \$800K to comply with legislation and regulatory requirements, \$800K to maintain aging infrastructure, and \$1.8 million directed toward a number of high priority health and safety projects vital to ensuring the safety of staff and visitors and to refurbish/repair where most urgent.

The 2008/09 operating season presented many challenges to the tourism industry as a whole. Attendance was impacted during the Commission’s peak revenue generating months of July and August due to extremely poor weather conditions and a wet Spring. Nonetheless, Operating Revenues were strong at \$9.03M, a solid 9% increase, due to selected increases in visitor activity, admission fees, retail, sponsorships, and one-time government grants (including Celebrate Ontario Festival program). Hence, despite the many challenges and slowing economy, the revenue growth plus solid fiscal management allowed us to deliver a balanced Budget, with \$16.9M in revenues offset by similar expenses.

The SLPC continues to seek new revenue streams, and we realized major growth in securing sponsorships in 2008/09. Cash Sponsorship revenue more than doubled over 2007/08, increasing to over \$500K and representing approximately 7% of operating revenue; in addition, we attracted more in-kind sponsorship as well.

A key focus of SLPC continues to be long-term financial sustainability, a daunting task with rising wage rates, deteriorating infrastructure coupled with mounting maintenance needs, and the sluggish tourism marketplace. In November 2008, the Board established a “Transformation Committee” to review operations. This Committee was charged with exploring report recommendations focused on the SLPC’s sustainability and strengthening the organization. Recommendations were brought before the full SLPC Board for discussion, adaptation, and approval. An organizational restructuring was announced in March 2009, and the senior management team began implementing changes for the 2009/10 operating season.

On behalf of the Board of Commissioners and the Management Team, we would like to express our sincere thanks to our partners, Ministry of Tourism and SLPC staff for their ongoing support and commitment to the delivery of a quality tourism experience, sustainable development and good stewardship in Eastern Ontario.



Patricia Macdonald  
General Manager & CEO



Peter Watson,  
Chair, Board of Commissioners



## OUR MANDATE

The St. Lawrence Parks Commission is an Ontario provincial Operational Enterprise established in 1955. 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.

## OUR MISSION

The purpose of the St. Lawrence Parks Commission 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

The St. Lawrence Parks Commission operates under the authority of the St. Lawrence Parks Commission Act. The Commission reports to the provincial government through the Minister of Tourism. The Board of Commissioners is responsible for overseeing the business affairs of the Commission 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 Commission 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 Province of Ontario government, and
- land-use lease agreements, donations, sponsorships, and partnership advertising funds in support of its facilities and programming.

## **BUSINESS OBJECTIVES DURING THE REPORTING PERIOD – 2008/09**

- Support the Ministry of Tourism’s renewal efforts and deliver on the identified role for agencies as key catalysts and drivers for tourism, economic prosperity, and community development.
- Initiate, develop and support initiatives that extend the Commission’s new mission and help to achieve sustainability and meaningful growth.
- Achieve positive cultural change and accelerate Commission-wide team building with the specific goal of becoming more market-driven and customer-focused.
- Employ sound business analysis, market research, and ROI assessment to identify strategic issues, leverage meaningful growth opportunities, and create new revenue streams and partnerships.
- Initiate and develop actions that harness technology to more effectively serve customers, create enriched and entertaining visitor experiences, and improve employee productivity.
- Assess Commission operations and resources, making informed decisions as to changes necessary for achieving greater efficiency and sustainability.

## **STRATEGIC THRUST FOR 2009-2012**

- Establish financial sustainability of SLPC operations.
- Generate new revenue-producing initiatives with strong ROI potential and high customer appeal while maintaining tight expense control.
- Heighten visitor experiences via new “iconic” attractions / experiences developed with new \$23 M in Capital funding.



## **SLPC BOARD OF COMMISSIONERS**

Peter Watson  
(Gananoque)  
Chairman  
Original appointment September 17, 2004  
Term expires September 6, 2009

Ron Eamer  
(Williamstown)  
Vice-Chair  
Original appointment April 6, 2005  
Term expires September 5, 2009

Ruby Eva Antle  
(Cornwall)  
Commissioner  
Original appointment March 23, 2006  
Term expires June 4, 2009

Richard Fawthrop  
(Cornwall)  
Commissioner  
Original appointment June 6, 2007  
Term expires June 5, 2009

Norman Gaylord  
(Cardinal)  
Commissioner  
Original appointment May 30, 2007  
Term expires May 29, 2010

Ineke Garofalo  
(Kingston)  
Commissioner  
Original appointment June 20, 2007  
Term expires June 19, 2010

J. R. (Jack) McIntosh  
(Winchester)  
Commissioner  
Original appointment August 8, 2005  
Term expires August 7, 2010

Kenneth Robert (Bob) Scott  
(Kingston)  
Commissioner  
Original appointment September 17, 2004  
Term expires October 16, 2010

Jeannette Shirley  
(Morrisburg)  
Commissioner  
Original appointment July 15, 2005  
Term expires July 20, 2010

Lloyd Therien  
(Kingston)  
Commissioner  
Original appointment May 30, 2007  
Term expires May 29, 2010

Isabel Turner  
(Kingston)  
Original appointment May 30, 2006  
Term expires May 29, 2009

Linda Wilson  
(Cornwall)  
Commissioner  
Original appointment June 20, 2007  
Term expires June 19, 2010

## **2008/09 SENIOR MANAGEMENT TEAM**

Patricia Macdonald	General Manager & CEO
Bonnie VanMoorsel	Executive Assistant, Manager, Customer Service and Office Administration, and A/Manager, Upper Canada Golf Course
Bruce Fitz-Gibbon	Director, Corporate Services (partial year)
Bryan Mercer	A/Director, Corporate Marketing & Development (partial year)

Wanda Fortier	Director, Human Resources
John Robertson	Manager, Fort Henry
Faye Baker	Manager, Finance and IT
Gerben Schaillee	Manager, Maintenance & Operations
Barry Hughes	Manager of Parks and Recreation
Dave Dobbie	Manager of Upper Canada Village



## 2008/09 PROGRAM HIGHLIGHTS

### 2008/2009 BUSINESS DECISIONS AND PROGRAM DEVELOPMENT

The renewal of the Commission's mission statement reinforced the commitment to offering programs and product that are market driven and customer focused. The results of this renewal are evident in the numerous new programming enhancements offered and several large scale new events introduced in 2008. The new mission statement and the Ministry of Tourism's strategic directions were used to guide business decisions and program development.

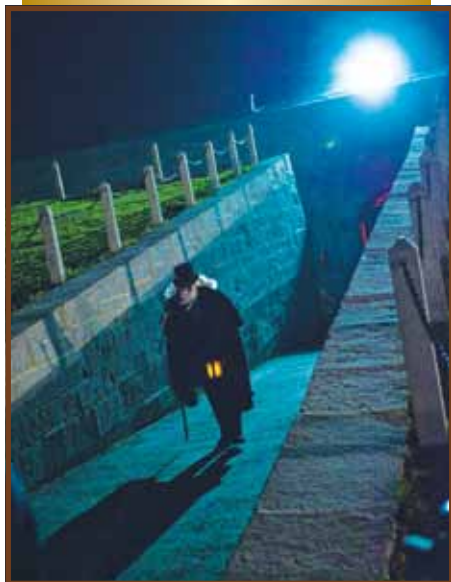
#### **Objective:**

***To Lead SLPC's revitalization and economic growth through the development of targeted new markets, products and experiences.***

### Investment in Program and Experience

In 2008, the Commission secured over \$460K in Celebrate Ontario funding to support festivals and events. These funds were invested in the following projects:

- a new Medieval Festival at Upper Canada Village which significantly expanded the capacity for education groups and tapped into a new market segment of "Medieval enthusiasts";
- a new play "A Seaway Story" to commemorate the 50th anniversary of the flooding for the creation of the St. Lawrence Seaway;
- a World Heritage Music Festival at Fort Henry; and
- a brand new "scare-attraction" Fort Fright at Fort Henry in the fall which extended the tourism season and generated additional visitation and overnights.



Collectively, these new events were successful in driving approximately 32,000 new visits to the attractions, through the region and generated over \$440K in gross revenues.

### Investment in Infrastructure

Recognizing the importance of investing in existing product and facilities, the Commission made significant capital investments in Parks and Recreation areas, upgrading services to accommodate a broader range of campers with higher end equipment and achieving a higher revenue yield per campsite. In addition, capital investment at Crysler Park Marina provided boaters and visitors with a brand new "Marker 72 Dockside Patio" fully licensed and operational at the end of June 2008. Customer friendly improvements were also made at the golf course to enhance member satisfaction and attract new golfers.

## Campgrounds

- Conversion of 111 sites from basic service to RV increasing the total inventory of RV sites to 178
- NEW upgraded gravel pads.
- Accommodates growing demand for RV sites and improves our ability to grow revenue with higher yield product.



## Crysler Park Marina

- NEW 18 passenger "Voyage to the Past" Voyageur canoe program. Explores history with a costumed interpreter.
- Kayak fleet and instruction.
- Water ski, wakeboard and water tube rentals and programs.
- NEW Sailing School Concession.
- NEW Marker 72 Dockside Patio offering food and beverage. Liquor licensed.



- NEW Ontario Power Generation Community Pavilion offering entertainment during the main season and indoor winter boat storage in the off-season.



## Upper Canada Golf Course

- Kitchen and lounge area improvements including the addition of a large screen TV; creation of two new meeting rooms. Perfect for groups, tournaments, and weddings.
- Installed temporary forward tees in 2008 with the objective of better serving Beginners, Juniors, Seniors and higher handicappers and also improving the ability to host more tournaments.
- Continued green drainage project with completion of Green #1 in May and installed new sprinkler control package enabling greatly improved efficiency in irrigation of the golf course tees and greens.
- New comfort facility to address #1 customer complaint.

### Objective:

***To understand and anticipate consumer wants and needs; actively collaborate with partners to use that intelligence for business planning and marketing.***





The Commission continued to secure new partnerships and to expand existing working relationships. For example:

- Fort Henry leveraged its UNESCO World Heritage Site designation and worked with the Ontario Tourism Marketing Partnership Corporation (OTMPC) as they leveraged \$1M to promote the designation in key markets around the world.
- Upper Canada Village collaborated with local hotels in the new Cornwall Destination Marketing Fund and pooled funds to leverage OTMPC's Industry Partnership Proposal Program to secure an additional \$60K in funding towards a \$200K marketing campaign targeting Ottawa and Montreal markets.
- Secured a \$100K one-year cash sponsorship from Ontario Power Generation for the newly constructed Ontario Power Generation Community Pavilion. This sponsorship helped to offset the construction costs of a venue to host indoor boat storage during the winter months and to act as a hub for entertainment and recreational activity during the spring and summer.
- The Commission also partnered with the Township of South Dundas in the development of the Seaway Shuttle Bus. Introduced during a period of high fuel prices and a bridge closure on the Long Sault Parkway, the shuttle offered campers and residents in the Villages of Long Sault, Ingleside and Morrisburg an economical and convenient means of moving amongst the Commission's attractions and the Villages shopping plazas and businesses.
- Upper Canada Village's Alight at Night program renewed their partnership with Ontario Place for use of remaining Chinese Lanterns at the close of the Chinese Lantern Festival. The lanterns – all in an animal theme – provided a great new program enhancement with appeal to young families and formed part of the new "Enchanted Forest."



## CAPITAL PROGRAM

The SLPC undertook several large capital projects in 2008/09. While many of these projects resulted in visible improvements to visitor services, some of the improvements were not so evident. Some of the highlights included campsite upgrades to more than 100 campsites across the parks system, the addition of a new washroom facility in the lower fort at Fort Henry which will provide visitors with more convenient access during special events and Sunset Ceremonies and upgrades to the food and beverage facilities at Fort Henry, Upper Canada Village and Upper Canada Golf Course. The chart below shows the breakdown of capital expenditures by attraction under the categories of compliance projects or those of a rehabilitation nature.

ATTRACTION	Compliance	Rehabilitation	Total (000's)
Upper Canada Village	114.4	438.9	553.3
Fort Henry	25.7	439.4	465.1
Parks	213.5	609.2	822.7
Crysler Park Marina	-	478.5	478.5
Upper Canada Golf Course	-	189.1	189.1
Crysler Park / System-wide	377.9	295.2	699.1
Roads & Grounds	37.1	161.9	199.0
Contingency	-	16.3	16.3
<b>TOTAL</b>	<b>\$ 794.6</b>	<b>\$ 2,628.5</b>	<b>\$ 3,423.1</b>

The chart below provides a summary of the major types of capital projects undertaken in 2008/09:

CATEGORY	\$'S ('000's)
Building Restoration & Maintenance	904
Equipment	610
Fuel Tank R&R	68
Roads, Grounds, Bikepaths, Bridges	225
Campground upgrades	435
Deck & Dock Restoration	87
Heritage programming upgrades	317
Electrical upgrades	165
Sewage & plumbing	132
Communications	104
Water / Well Management	80
Air Quality	49
Food service equipment upgrades	200
Disabled access	31
Miscellaneous	16
<b>TOTAL</b>	<b>\$ 3,423</b>



## Objective

*"Have tourism recognized as an economic driver and important community builder."*

The Commission's General Manager and CEO made great strides in spreading the word about tourism as an economic driver throughout the region with a number of speaking engagements to key audiences in Eastern Ontario, including presentations to:

- Team Cornwall;
- South Dundas Business Association; and
- Ontario East Municipal Conference workshop in Kingston "The Value of Tourism". This conference provided an opportunity to advance the message of tourism as an important economic driver to over 600 delegates from municipalities and industry from across Eastern Ontario.

Furthermore, the Commission's General Manager and CEO continued her involvement on the South Dundas Economic Development Advisory Committee, and continued to serve as Chair for the St. Lawrence War of 1812 Bicentennial Alliance.

## ATTRACTION ACTIVITY PERFORMANCE

ATTRACTION	2008/09	2007/08	+/-	%
Fort Henry (admissions)	122.8	109.0	+13.8	+12.7%
Upper Canada Village (admissions)	173.3	179.2	-5.9	-3.3%
Heritage Park (train, rides, CF visitor centre)	24.4	27.6	-3.2	-11.6%
Camper nights & day-use passes	119.8	132.3	-12.5	-9.4%
Upper Canada Golf Course (rounds & rentals)	25.1	27.7	-2.6	-9.4%
Crysler Park Marina (docked footage)	489.0	440.9	+49.5	+10.9%

## FINANCIAL PERFORMANCE

Total revenue from operations of \$7.468M in 2008/09 represents an increase of 7% (\$500K) over 2007/08. This growth was led by increases in sponsorship revenue, entrance fees, grants achieved, and in marina dockage and storage fees.

The SLPC received Provincial funding support of \$9M in operational transfer payment and \$3.4 M capital funding to support repair and refurbishment of existing infrastructure.

Total operating expenses of \$16.0M in 2008/09 increased 13% (\$1.8M) over 2007/08. Increased expenses for salaries, wages and benefits of 8% (\$810 K) and additional direct operating costs of \$800K for new initiatives accounted for the majority of the increased expenditures.

As a result, the SLPC closed 2008/09 in a positive financial position.



**The St. Lawrence Parks Commission**  
**Financial Statements**  
**March 31, 2009**

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**Raymond Chabot  
Grant Thornton**

## **Auditors' Report**

**Raymond Chabot Grant Thornton LLP**  
2505 St-Laurent Blvd.  
Ottawa, Ontario K1H 1E4

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

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Fax: 613-236-6104  
[www.rcgt.com](http://www.rcgt.com)

Pursuant to the St. Lawrence Parks Commission Act which provides that the St. Lawrence Parks Commission, an agency of the Crown, shall be audited by the Auditor General of Ontario or an auditor appointed by the Lieutenant Governor in Council, we have audited the statement of financial position of The St. Lawrence Parks Commission as at March 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Note 3 indicates that the Commission has not capitalized assets before the year 1994, nor, have assets acquired with other than Commission resources been capitalized. In this respect, the financial statements are not in accordance with Canadian generally accepted accounting principles. The effect of this departure from generally accepted accounting principles on the financial statements has not been determined.

In our opinion, except for the effects of the failure to record capital assets and amortization as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Raymond Chabot Grant Thornton LLP*

Chartered Accountants,  
Licensed Public Accountants

Ottawa, Canada  
May 25, 2009



# The St. Lawrence Parks Commission

## Financial Position

March 31, 2009

(In thousands of dollars)

	2009	2008
	\$	\$
<b>ASSETS</b>		
Current assets		
Cash	1,997	2,667
Short-term investments (Note 4)	2,920	2,967
Accounts receivable	120	2,501
Inventories	375	361
Prepaid expenses	53	70
	<u>5,465</u>	<u>8,566</u>
Capital assets (Note 5)	<u>523</u>	<u>531</u>
	<u>5,988</u>	<u>9,097</u>
Funds held in trust (Note 6)	<u>100</u>	
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	416	2,120
Accrued liabilities	273	177
Deferred contributions (Note 7)	461	2,436
	<u>1,150</u>	<u>4,733</u>
Severance and future employee benefits (Note 8)	<u>1,089</u>	<u>1,063</u>
	<u>2,239</u>	<u>5,796</u>
<b>NET ASSETS (DEFICIENCY)</b>		
Invested in capital assets	523	531
Internally restricted (Note 9)	2,864	2,864
Unrestricted	362	(94)
	<u>3,749</u>	<u>3,301</u>
	<u>5,988</u>	<u>9,097</u>
Funds held in trust (Note 6)	<u>100</u>	
Commitments (Note 17)		

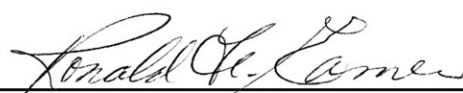
The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

Director



Director



# The St. Lawrence Parks Commission

## Operations

Year ended March 31, 2009

(In thousands of dollars)

	2009	2008
	\$	\$
<b>Operating Revenue</b>		
Entrance fees	2,976	2,629
Campsites	1,787	1,753
Gross profit from retail operations (Note 10)	705	690
Golf course	650	684
Concession and site rentals	301	303
Sponsorships	516	252
Marina docking and storage	263	228
Investment income	205	339
Miscellaneous	65	82
	<u>7,468</u>	<u>6,960</u>
<b>Operating Expenditures</b>		
Salaries, wages and benefits (Notes 11, 15 and 16)	11,100	10,290
Services (Note 16)	2,875	2,075
Supplies and equipment (Note 16)	1,648	1,480
Transportation and communication	199	180
Amortization of capital assets	198	154
Miscellaneous	13	19
	<u>16,033</u>	<u>14,198</u>
<b>Operating deficit before the following:</b>	<u>(8,565)</u>	<u>(7,238)</u>
<b>Other revenue (expenditures)</b>		
Provincial government funding		
Operational	9,013	7,747
Refurbishment	3,423	2,723
	<u>12,436</u>	<u>10,470</u>
Refurbishment	<u>(3,423)</u>	<u>(2,723)</u>
	<u>9,013</u>	<u>7,747</u>
<b>Excess of revenue over expenditures</b>	<u>448</u>	<u>509</u>

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

## The St. Lawrence Parks Commission

### Changes in Net Assets

Year ended March 31, 2009

(In thousands of dollars)

	2009			2008
	Invested in capital assets	Internally restricted (Note 9)	Unrestricted	Total
	\$	\$	\$	\$
Balance, beginning of year	531	2,864	(94)	2,792
Excess (deficiency) of revenue over expenditures	(198)		646	509
Acquisition of capital assets	190		(190)	
Balance, end of year	523	2,864	362	3,301

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

## The St. Lawrence Parks Commission

### Cash Flows

Year ended March 31, 2009

(In thousands of dollars)

	2009	2008
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	448	509
Non-cash items		
Amortization of capital assets	198	154
Changes in working capital items		
Accounts receivable	2,381	182
Inventories	(14)	(41)
Prepaid expenses	17	19
Accrued interest receivable	47	
Accounts payable	(1,704)	474
Accrued liabilities	96	3
Deferred contributions	(1,975)	1,738
Severance and future employee benefits	26	(24)
Cash flows from operating activities	(480)	3,014
<b>INVESTING ACTIVITIES</b>		
Acquisition of short-term investments		(2,967)
Acquisition of capital assets	(190)	(226)
Cash flows from investing activities	(190)	(3,193)
<b>Net decrease in cash</b>	(670)	(179)
Cash, beginning of year	2,667	2,846
Cash, end of year	1,997	2,667

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



# **The St. Lawrence Parks Commission**

## **Notes to Financial Statements**

March 31, 2009  
(In thousands of dollars)

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### **1 - GOVERNING STATUTES AND NATURE OF OPERATIONS**

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.

### **2 - ACCOUNTING CHANGES**

On April 1, 2008, in accordance with the applicable transitional provisions, the Commission applied the new recommendations of Section 1400, "General Standards of Financial Statement Presentation", of the Canadian Institute of Chartered Accountants' (CICA) Handbook, dealing with the going concern assumption. The new recommendations, which are effective for fiscal years beginning on or after January 1, 2008, require management to make an assessment of the Commission's ability to continue as a going concern over a period which is at least, but is not limited to, twelve months from the balance sheet date. The new requirements only address disclosures and have no impact on the Commission's financial results.

On April 1, 2008, in accordance with the applicable transitional provisions, the Commission applied the recommendations of Section 1535, "Capital Disclosures", of the CICA Handbook. This new section, effective for fiscal years beginning on or after October 1, 2007, establishes standards for disclosing information about the Commission's capital and how it is managed. The new accounting standard only addresses disclosures and has no impact on the Commission's financial results.

On April 1, 2008, in accordance with the applicable transitional provisions, the Commission applied the recommendations of new Section 3031, "Inventories", of the CICA Handbook. This new section, effective for fiscal years beginning on or after January 1, 2008, replaces Section 3030 of the same title. It provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value and deals with the cost formulae that are used to assign costs to inventories. The new standard also requires additional disclosures. This change had no impact on the Commission's financial results.

### **3 - ACCOUNTING POLICIES**

#### **Basis of presentation**

The financial statements are prepared using the historical cost method, except for certain financial instruments that are recognized at fair value. No information on fair value is presented when the carrying amount corresponds to a reasonable approximation of the fair value.

Management regularly reviews and considers the current and forecast activities of the Commission in order to satisfy itself as to the viability of operations. These ongoing reviews include current and future business opportunities, Provincial government financing commitments, and forecast of cash requirements and balances. Based on these evaluations, management considers that the Commission is able to continue as a going concern.

# **The St. Lawrence Parks Commission**

## **Notes to Financial Statements**

March 31, 2009  
(In thousands of dollars)

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### **3 - ACCOUNTING POLICIES (Continued)**

#### **Accounting estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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.

#### **Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. The total carrying amount of inventories carried at cost is \$375. No inventories are carried at net realizable value or at fair value less selling costs. The amount of inventories recognized as an expense during the period is \$830.

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

The Commission has chosen to apply the recommendations of Section 3861, "Financial Instruments – Disclosure and Presentation", of the CICA Handbook with respect to the presentation and disclosure of financial instruments.

On initial recognition, all financial assets and liabilities are measured and recognized at their fair value.

Subsequently, financial assets and liabilities are measured and recognized as follows.

##### *Held-for-trading financial assets*

Cash is classified as a held-for-trading financial asset and is recognized at fair value.

##### *Available-for-sale financial assets*

Short-term investments are classified as available-for-sale investments and are measured at their fair value.

##### *Loans and receivables and other financial liabilities*

Accounts receivable are classified as loans and receivables. They are measured at amortized cost, which is generally the initially recognized amount, less any allowance for doubtful accounts. Accounts payable and accrued liabilities are classified as other financial liabilities. These financial instruments are measured at amortized cost using the effective interest method.

#### **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 and other fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2009  
(In thousands of dollars)

### 3 - ACCOUNTING POLICIES (Continued)

Retail revenue is recognized when goods have been sold and collection is reasonably assured.

Entrance fees revenue, campsites revenue, golf course revenue, concession and site rentals revenue, marina docking and storage revenue, and sponsorships revenue 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.

#### Amortization of capital assets

While capital assets, including land, acquired before April 1, 1994 are carried at nominal value, assets acquired after March 31, 1994 with Commission resources are capitalized at cost.

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

	<u>Periods</u>
Machinery, equipment, and tools	5 years
Vehicles	5 - 10 years
Computer systems	3 years
Office furniture and equipment	3 - 4 years
Structures	5 years
Heritage project	5 years

#### Salaries, wages and benefits

These financial statements reflect the 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 classified employees with more than five years continuous service are entitled to one week of severance for each year of service, up to a maximum of six months pay at the end of employment, whether at normal retirement, termination, or resignation. Unclassified 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 classified employees. Any potential obligation for unclassified 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, 2009  
(In thousands of dollars)

### 3 - ACCOUNTING POLICIES (Continued)

#### Pension Plan

The Province provides pension benefits to its full-time 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 multiemployer 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 to these Plans are expensed. No attempt has been made to calculate any amount owing regarding the unfunded liability (if any) with respect to these pension plans since 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.

### 4 - SHORT-TERM INVESTMENTS

Short-term investments consist of term deposits expiring in September, 2009, bearing interest at rates ranging from 3.0% to 3.9%.

### 5 - CAPITAL ASSETS

	2009		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Machinery, equipment and tools	187	169	18
Vehicles	805	513	292
Computer systems	176	173	3
Office furniture and equipment	275	164	111
Structures	216	117	99
Heritage project	76	76	
	<u>1,735</u>	<u>1,212</u>	<u>523</u>
	2008		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Machinery, equipment and tools	186	154	32
Vehicles	786	416	370
Computer systems	176	166	10
Office furniture and equipment	125	118	7
Structures	196	84	112
Heritage project	76	76	
	<u>1,545</u>	<u>1,014</u>	<u>531</u>

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2009  
(In thousands of dollars)

### 6 - FUNDS HELD IN TRUST

During the year the Commission received an amount of \$100 from the Ontario Ministry of Tourism to support initiatives relating to the commemoration of the War of 1812. The Commission is responsible for disbursing the funds to organizations staging War of 1812 re-enactments, and other commemorative events.

### 7 - DEFERRED CONTRIBUTIONS

	2009	2008
	\$	\$
Prepaid admissions	270	217
Ministry of Tourism - funding for refurbishment		
Balance, beginning of year	1,251	183
Contributions	2,296	3,758
Expenditures	(3,397)	(2,690)
Balance, end of year	150	1,251
Ministry of Tourism - funding for Fort Henry refurbishment		
Balance, beginning of year	56	90
Expenditures	(26)	(34)
Balance, end of year	30	56
Ministry of Tourism - Celebrate Ontario program		
Balance, beginning of year	460	93
Contributions		460
Expenditures	(460)	(93)
Balance, end of year	-	460
Other deferred contributions		
Feasibility study grant		96
Deferred capital asset contribution	11	13
Deferred operating funding		320
Other deferred revenues		23
Sub-total of other deferred contributions	11	452
	461	2,436

### 8 - SEVERANCE AND FUTURE EMPLOYEE BENEFITS

	2009	2008
	\$	\$
Severance accrual	828	790
WSIB benefit accrual	261	273
	1,089	1,063

### 9 - INTERNALLY RESTRICTED NET ASSETS

During 2007 the Board of Commissioners approved a transfer of \$2,864 from unrestricted net assets to internally restricted net assets for the purpose of future capital expenditures.

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2009  
(In thousands of dollars)

### 10 - GROSS PROFIT FROM RETAIL OPERATIONS

Retail gross profit is comprised of:

	2009	2008
	\$	\$
Sales from retail operations	1,535	1,478
Cost of goods sold	830	788
Gross profit from retail operations	<u>705</u>	<u>690</u>

### 11 - PENSION PLAN

The Commission's contribution to the PSP Plan and the OPSEU Pension Trust for the year ended March 31, 2009 was \$397 (2008 - \$372) and is included in salaries, wages and benefits.

### 12 - ECONOMIC DEPENDENCE

As a significant source of the Commission's income is derived from funding received from the Province of Ontario, its ability to continue viable operations is dependant upon maintaining such funding.

### 13 - CAPITAL MANAGEMENT

The Commission's objectives when managing capital are to safeguard its ability to continue as a going concern and to meet its financial obligations.

The Commission manages its capital by obtaining funding from the Province of Ontario, by generating revenues from its various activities, and by controlling expenditures to closely match revenues.

In order to maintain or to adjust its capital structure, the Commission may have to modify its forecast expenses for the realization of certain of its activities.

The Commission is not subject to any externally imposed capital requirements.

### 14 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FINANCIAL RISKS

#### Financial risk management objectives and policies

The Commission is exposed to various financial risks resulting from both its operations and its investments activities. The Commission's management manages financial risks.

The Commission does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

#### Financial risks

The Commission's main financial risk exposure and its financial risk management policies are as follows.



# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2009  
(In thousands of dollars)

### **14 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FINANCIAL RISKS** *(Continued)*

#### *Credit risk*

The financial instruments that potentially expose the Commission to credit risk are primarily trade accounts receivable. Credit risk relating to accounts receivable is generally diversified since the Commission negotiates with a large number of establishments.

#### *Interest rate risk*

The majority of the Commission's short-term investments are at variable rates and the Commission is, therefore, exposed to risk resulting from interest rate fluctuations.

### **15 - REMUNERATION OF MEMBERS**

Total remuneration of members of the Commission was \$39.5 (2008 - \$27.5).

### **16 - 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.

Included in accounts receivable is \$23 (2008 - \$Nil) due from the Ministry of Finance regarding payroll expenses, \$Nil (2008 - \$390) due from the Ministry of Tourism regarding the Celebrate Ontario program and \$Nil (2008 - \$2,000) due from the Ministry of Finance regarding future capital project funding. Included in accounts payable is \$178 (2008 - \$1,468) due to the Ministry of Finance in connection with payroll expenses.

During the year, the Commission paid a total of \$11,244 in payroll expenses to the Ministry of Finance which is included in "Salaries, wages, and benefits".

Included in "Services" expenditures is \$24 paid to the Ministry of Finance for various services including advertising and pay stub printing, \$4 paid to the Ontario Tourism Marketing Partnership for advertising, and \$3 paid to the Ontario Provincial Police for security services.

Included in "Supplies and equipment" expenditures is \$28 paid to the Ministry of Finance for general liability insurance and liquor and cheese licenses.

During the year, the Commission received funding totaling \$12,436 (2008 - \$10,470) from the Ministry of Tourism which is included in "Provincial government funding".

During the year, the Commission paid the Ministry of Transportation \$197 (2008 - \$196) for the maintenance of the 1000 Islands Parkway which is included in "Supplies and equipment" expenditures.

# **The St. Lawrence Parks Commission**

## **Notes to Financial Statements**

March 31, 2009  
(In thousands of dollars)

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### **17 - COMMITMENTS**

a) The Commission has entered into long-term lease agreements expiring on various dates between 2010 and 2013 which require lease payments of \$300. The minimum lease payments for the next four years are \$119 in 2010, \$90 in 2011, \$67 in 2012 and \$24 in 2013.

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 \$198 in 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.

### **18 - SUBSEQUENT EVENT**

In the Ontario budget, tabled on March 26, 2009, the Province committed to making a significant capital investment in the Tourism Sector, with \$23,000 being allocated to the Commission to be used for sites revitalization projects.

### **19 - COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

### **20 - FUTURE ACCOUNTING STANDARDS**

In September 2008, the CICA modified the introduction to accounting standards that apply only to not-for-profit organizations and many sections of the 4400 series; it also made correlative changes to other sections of the CICA Handbook. The main changes concern the elimination of the requirement to treat net assets invested in capital assets as a separate component of net assets and amendments to clarify that revenues and expenses must be recognized and presented on a gross basis when a not-for-profit organization is acting as a principal in transactions.

Moreover, the CICA published new Section 4470 "Disclosure of allocated expenses by not-for-profit organizations" which establishes disclosure standards for a not-for-profit organization that classifies its expenses by function and allocates its expenses to a number of functions to which the expenses relate.

These new standards are effective for fiscal years beginning on or after January 1, 2009 and the Commission will implement them as of April 1, 2009. The Commission's management is not able to measure the impact that the application of these new standards will have on the financial statements.