



St. Lawrence Parks Commission

ANNUAL REPORT 2021 / 2022

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CORPORATE OVERVIEW

ABOUT

St. Lawrence Parks Commission is one of the largest tourism destinations in Eastern Ontario, extending 200 km from Kingston to near the Quebec border. Its facilities include thousands of acres of park land and attractions on the St. Lawrence Heritage Corridor that provide a major source of recreational opportunities for residents and visitors to the Eastern Ontario Gateway to Ontario. SLPC provides diverse experiences and draws more than 600,000 visitors every year with an estimated annual economic impact of more than \$80,000,000.

Properties include:

- Upper Canada Village
- Fort Henry National Historic Site of Canada
- Kingston Pen Tours
- Skywood Eco Adventure
- Chrysler Park Marina
- Upper Canada Golf Course
- Upper Canada Migratory Bird Sanctuary
- 10 campgrounds and 6 beach day-use picnic areas including the Long Sault and Thousand Islands Parkways

These businesses are supported by the agency's central services, including Maintenance and Operations; Environment and Land Planning; Marketing, Communications and Guest Relations; and Corporate Services.

VISION

Tourism, recreation, heritage and cultural experiences in Eastern Ontario are sustained, enjoyed and accessible today, tomorrow and for future generations.

MANDATE

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.

SLPC will support the MHSTCI efforts to strengthen Ontario's tourism industry. As a key economic driver in Eastern Ontario, SLPC will focus efforts on new product development and program enhancements that will draw new and returning customers to the region.

MISSION

The purpose of the St. Lawrence Parks Commission is to provide, preserve and advocate for our parks, our heritage assets and our environment through operations and partnerships that contribute to an exceptional customer experience and economic prosperity in the region.

LEGISLATIVE AUTHORITY, GOVERNANCE AND FUNDING

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

SLPC supports its operations through:

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

CORE PRINCIPLES, VALUES AND BELIEFS

SLPC's greatest future strength must be built upon leadership and motivated people, with Commissioners, staff and communities working together. The Commission is:

- Committed to responding to the needs of its visitors through service and courtesy.
- Dedicated to communicating effectively with visitors, staff, community leaders, associations, private tourism operators and the MHSTCI.
- Believes that the development and implementation of a unique corporate image will heighten public awareness of 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.
- Committed to responsible and ethical management of its attractions, facilities and services.

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

ST. LAWRENCE PARKS COMMISSION BOARD OF COMMISSIONERS 2021/22

CHAIR:

Bob Runciman
Brockville
January 17, 2019 – January 16, 2022
2021/22 Remuneration: \$3,850

VICE-CHAIR:

Bruce Wylie
Brockville
November 13, 2019 – November 12, 2022
2021/22 Remuneration: \$2,800

COMMISSIONERS:

Bill Code
Gananoque
September 24, 2020 – August 12, 2021
2021/22 Remuneration: \$750

Pierre Santoni
Mallorytown
March 7, 2018 – March 6, 2024
2021/22 Renumeration: \$450

Evonne Delegarde
Iroquois
June 23, 2020 – June 22, 2023
2021/22 Remuneration: \$2,850

Gordon Stencell
October 25, 2019 – October 24, 2022
Kingston
2021/22 Remuneration: \$150

Tammy Hart
April 4, 2019 – April 3, 2022
Newington
2021/22 Remuneration: \$1,950

Guy Tondreau
Cornwall
June 28, 2017 – June 27, 2023
2021/22 Remuneration: \$1,800

Bhagwant Parmar
Brockville
July 9, 2020 – December 9, 2021
2021/22 Remuneration: \$1,350

Nigel White
Brockville
December 14, 2020 – December 13, 2023
2021/22 Remuneration: \$2,100

SENIOR LEADERSHIP TEAM 2021/22

Hollee Kew

General Manager & CEO

Mia Robertson / Sukrit Chopra (A)

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

Geoff Waycik

Director, Historic Sites

Kathryn Lowe

Manager, Fort Henry National Historic Site of Canada

Tracey Ogilby

Manager, Upper Canada Village

Greg Gouthro (A)

Manager, Kingston Pen Tours

Jennifer Tarini / Greg Faaren (A)

Director, Parks and Recreation

Robert Hamilton

Manager, Maintenance and Operations

Brent Sommerville

Regional Parks Operations Manager

Tim Robins

Manager, Recreation & Leisure Facilities

Greg Faaren

Manager, Environment and Land Planning

Al Adibi

Director, Corporate Services

SENIOR LEADERSHIP TEAM 2021/22

Shannon Moulton

Human Resources Coordinator

Krista Doyle

Director, Marketing, Communications & Guest Experience

Heather Kearney

Manager, Guest Relations and Corporate Communications

MESSAGE FROM THE CHAIR Hon. Bob Runciman AND GENERAL MANAGER & CEO Hollee Kew

In a year of pushing towards economic recovery, the rebuilding year after the 2020 COVID pandemic, COVID persisted... but so did we, finishing the year with thoughtful management of expenses and a solid financial performance.

Given that 2021/22 was not the post-pandemic year it was anticipated to be, these achievements were not without their challenges.

Most St. Lawrence Parks Commission (SLPC) attractions and facilities experienced shortened operational seasons in 2021/22, in addition to reduced capacities, and many planned revenue-generating activities were cancelled due to ongoing public health concerns caused by the pandemic.

But this time, we had been through it before, we had learned valuable lessons we could apply to this season, and people — while a bit hesitant to travel, or in some cases, restricted from travel — were buzzing to get out and do something.

So, once again, our operations teams expertly pivoted our offerings to comply with public health measures, advice and restrictions while providing that experience that our guests had longed for after bouts of isolation.

Parks re-opened all our campgrounds after having many of them closed for the entire 2020 season, and they gradually increased capacities at our beaches. Historic Sites offered outdoor tours and experiences before officially re-opening their doors late in the season. And in the midst of everything, we debuted a new event at Fort Henry: a new Pumpkinferno experience for the west end of our corridor, which, together with the original Pumpkinferno event in Morrisburg, generated an estimated \$10,000,000 of economic impact for Eastern Ontario.

Despite the ongoing pandemic in 2021, SLPC was able to deliver on its mandate to generate lasting visitor growth and drive economic prosperity in the region. Through our programming and products, we were able to support communities across Eastern Ontario. And perhaps, equally importantly, we provided people and families in the region and beyond the much-needed opportunity to get out and have some fun together.

We also continued to push smart business and thoughtful movement towards operational self-sufficiency.

We assessed our assets through a revenue generation lens and made decisions based on how those assets would be most profitable. We licensed Skywood Eco Adventure to a third-party operator, we completed an extensive land inventory, and we completed feasibility studies for

wastewater and water connections of campgrounds and attractions along the Long Sault Parkway and Highway 2 to municipal services in the Townships of South Stormont and South Dundas.

2021/22 was a year we continued to gain traction in bringing infrastructure to the forefront. With a still relatively new board and new leadership at the Parks Commission, there is a strong commitment to renew our infrastructure, in recognizing the very critical foundational nature of infrastructure to tourism and a realization that investment in infrastructure will enable our recovery and set SLPC up for a financially sustainable future.

This year we launched our revitalization strategy to address issues of infrastructure that is beyond-useful-life. Working closely with the Ministry of Heritage, Sport, Tourism and Culture Industries, we kicked off the first phase of our Brown's Bay Beach revitalization project. Brown's Bay is the first SLPC beach to undergo revitalization, as part of planned upgrades to all parks, fulfilling strategic objectives set out in SLPC's new strategic plan, *Strengthening our Foundation for a Sustainable Future* (2021-2026).

This new five-year strategic plan was finalized in 2021/22 and we are already well underway in delivering on this plan.

So, challenging as it may have been at times, we consider 2021/22 to have been a success and we think the following pages in this report will illustrate the overall achievement of this past year.

We are proud of the strength and resilience our staff and board demonstrated in 2021/22 and we know that their dedication and expertise, combined with our new strategic plan for the future, have forged a more resilient organization as well. We look forward to a year of greater recovery ahead and to continuing the critical role we play in strengthening the tourism economy in Eastern Ontario.

**The Honourable
Bob Runciman, Chair,
St. Lawrence Parks Commission**

**Hollee Kew,
General Manager & CEO,
St. Lawrence Parks Commission**

STRATEGIC PRIORITIES

In the final quarter of 2020/21, SLPC launched a strategic planning process, facilitated by consultants from MDB Insights and the Executive Decision Centre at Queen's University's Smith Business School, to create a five-year strategic plan and a 10-year roadmap for the Commission. That work was completed in the 2021/22 year and is detailed elsewhere in this report.

At the time of writing its 2021/22 Business Plan, SLPC was guided by the following strategic priorities and supporting strategic pillars (which served as the foundation of the strategic plan):

Revenue Generation: Continue to build a foundation for growth that emphasizes revenue generation, while minimizing waste, and focusing on profit.

Incremental Self-Sufficiency: Drive profit-based decisions, preserving the core, and growing towards operational self-sufficiency, noting that Ministry investment in capital needs will be ongoing.

PILLAR I – INVESTING IN INFRASTRUCTURE

Address critically aging infrastructure and associated lost revenue to achieve long-term prosperity and reduce ongoing operational costs; anticipate future level of services and demand on assets and make sustainable investments to meet future needs; deliver world-class experiences to surpass customer expectations; and protect our heritage and cultural assets.

PILLAR II – CARING ABOUT OUR ENVIRONMENT

SLPC's location informs our relationship to the environment and commitment to environmental sustainability with a mindful approach to supporting our future. SLPC will update our strategic land use planning and policy to honour the diverse ecosystems of Eastern Ontario and to support the long-term sustainability of the organization; make efforts towards energy conservation and greenhouse gas emission reduction; environmental sustainability management; and education for sustainability.

PILLAR III – THOUGHTFUL MOVEMENT TOWARDS OPERATIONAL SELF-SUFFICIENCY

Improve overall performance by continuing to emphasize both revenue generation and a margin focused model, constantly reducing costs while improving quality across all business units; rethink approach to marketing and communications to articulate the cultural / heritage value of our assets; through strong agency governance and evidence-based decision-making, grow, refresh and innovate product lines; and, go beyond accessibility compliance to ensure attractions are accessible to all people of all abilities.

PILLAR IV – EMBRACING PARTNERSHIPS TO ENHANCE REGIONAL ECONOMIC IMPACT

Increase transparency and community engagement to strengthen stakeholder relations; and reduce red tape in the delivery of services.

PILLAR V – INVESTING IN A TALENTED AND DIVERSE WORKFORCE

Support MHSTCI's priorities to champion a positive, flexible and respectful workplace culture, where each employee is empowered to embrace diversity, take charge of their learning and development, recognize colleagues for achievement of goals and enhance the employee experience in our organization; and support a safety-first culture where everyone feels safe and supported at all times.

2021/22 GOVERNMENT MANDATE

In addition to the strategic priorities and supporting pillars, SLPC is also guided by an annual mandate letter. The mandate letter is correspondence from the Minister of Heritage, Sport, Tourism and Culture Industries (MHSTCI) to the SLPC Board Chair, outlining the Minister's broad expectations for the Commission with respect to service and performance priorities for the coming fiscal year.

These priorities and expectations serve as a reference point for the Commission's strategic planning framework and business goals.

In 2021/22 the Minister asked that SLPC focus on:

- **Competitiveness, Sustainability and Expenditure Management**, including identifying and pursuing, efficiencies, saving, opportunities for revenue generation, innovative practices, and/or improved program sustainability.
- **Transparency and Accountability**, including identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.
- **Risk Management**, including developing and implementing an effective process for the identification, assessment and mitigation of risks and emergency response.
- **Workforce Management**, including optimizing the workforce and streamlining back-office functions to prioritize critical front-line services and customer service standards.
- **Data Collection**, including leveraging available or new data solutions to inform outcome-based reporting and improve service delivery.
- **Digital Delivery and Customer Service**, including exploring and implementing digitization or digital modernization strategies to provide services online and ensure service delivery in all situations.

2021/22 BUSINESS GOALS

Under the preceding strategic framework, SLPC set the following business goals for 2021/22:

Revenue Generation

- Continue to provide high quality facilities, programming and events to contribute to the recovery of the local economy
- Continue to maximize revenue and net earnings based on potential restrictions in place due to COVID-19
- Optimize allocated capital and long-term maintenance budgets; maximize SLPC capital assets
- Leverage SLPC landholdings to extract maximum value
- Continue to nurture and build tour operator relations and business, primarily domestic travel trade opportunities

Infrastructure & Environment

- Secure funding to begin infrastructure upgrade and renewal programs
- Collaborate with partners and stakeholders to advance infrastructural renewal projects and to create new opportunities and foster growth in the region
- Implement and integrate environmental strategy throughout business units

Partnerships

- Enhance community outreach and product education to create stronger municipal alignment and partnership growth
- Address concerns of former inmate voices in the delivery of Kingston Pen Tours to the satisfaction of all stakeholders

Digital & Customer Service

- Maximize use of technology in guest-facing and back-office functions
- Focus on staff growth and training to create a culture of service excellence and environmental sustainability

Health, Safety and Risk Mitigation

- Maintain a safe and healthy workplace and tourism attractions, with minimal injuries

2021/22 SIGNIFICANT FACTORS

SLPC had a considerably more favourable year revenue-wise compared to last year; however, COVID-19 continued to be a significant factor in 2021/22.

Most SLPC attractions and facilities experienced shortened operational seasons in addition to reduced capacities.

Fort Henry and Upper Canada Village each lost between four and six weeks of operational time and Kingston Pen Tours lost 35 operational days. In the phased re-opening of Ontario in June 2021, Historic Sites pivoted to offer outdoor experiences allowed under the restrictions, including outdoor tours at Kingston Pen Tours at a discounted rate, however guest feedback demonstrated guests' preference for the indoor exhibits and their motivation to wait until restrictions were lifted to get the full experience.

Campgrounds and beaches were significantly affected by a stay-at-home order and the closure of the Quebec border, as approximately 70% of campers hail from Quebec. These factors reduced the Parks division's operating season by approximately 15%, 20% for guests from Quebec. This also resulted in a mass refund situation, as seasonal and transient campers both had already paid for the days where the parks were unexpectedly closed. SLPC had to process thousands of manual refunds, representing a significant loss of revenue as well as resources that had to be redirected to deal with the refunds and accompanying spike in guest communications.

In addition to regular programming being affected, COVID restrictions also resulted in the loss of revenue-generating events and products, including:

- Cannonball Crush obstacle race and follow-up event YGK Craft Beerfest were cancelled at Fort Henry
- New Q4 Winter Spirits tasting event set to debut at Fort Henry was cancelled
- Regular weekly Sunset Ceremonies and the annual Tattoo musical event were cancelled at Fort Henry
- The restaurant at Upper Canada Golf Course had to close for the season
- Six tournaments at the golf course were cancelled

Some programming and product offerings were modified to comply with restrictions and/or improve safety for our guests. Some of these modifications garnered negative feedback, particularly at Upper Canada Village. The Village took safety measures during peak season that greatly reduced interpretive experiences and access to buildings and areas normally open to the public. These modifications caused some guests to express dissatisfaction with their experience or to decide to postpone their visit.

SLPC's historic sites have been most affected by the pandemic. While camping's ability to provide isolation in a fresh setting allowed campgrounds to thrive, even early in the pandemic, historic sites saw reduced visitation of between 75% and 86% in 2020. 2021 saw some recovery with visitation rebounding slightly to between 53% and 71% of pre-pandemic levels.

The pandemic has also negatively affected staffing at both Upper Canada Village and Fort Henry. Shorter seasons meant shorter contracts which impacted retention and the number of returning staff for the season. With fewer staff returning in jobs that require rare historical skillsets, a skills gap has been created at these sites. At Fort Henry this might be addressed by a multi-year training program, but the Village's historical trade openings may require ongoing strategic recruitment.

While COVID-19 continued to be this year's most significant factor, it was not the only one. Beyond useful-life infrastructure continues to be a significant risk factor, with septic system failures and maintaining drinking water systems also resulting in significantly increased operating costs for sewage operations, repairs, annual emergency pumping and meeting increased regulatory requirements. These maintenance costs are approximately \$500,000 annually.

There was also an incident in Q4 during an electrical upgrade project which permanently disrupted power to the entire Upper Canada Village site. The initial emergency response to this incident, including renting generators to restore power to the site to maintain operations, had a financial impact on 2021/22 and, unfortunately, this will be an even more significant factor in 2022/23. Engineering and design work for the new system is underway and will determine repair/replacements costs, already estimated at multi millions. The most significant financial impact will occur in 2022-23, with some carryover to 2023-34.

Skywood Eco Adventure was closed for the entire season a second year in a row with its challenges of maintaining physical distance between guests and as it went out to tender for a third-party operator. While this does mean decreased costs, it does not mean zero costs, as it still incurs expenses for maintenance and upkeep that must be done even though the facility is not bringing in operating revenue.

The maintenance of the two scenic parkways continues to be labour intensive with no opportunity for cost recovery. In 2021/22, the community issue of safe but financially and operationally sustainable winter maintenance on the Thousand Islands Parkway Multi-Use Recreational Trail put particular pressure on staff resources.

Finally, increased costs of materials and supply chain issues hindered procurement efforts with many project bids coming in significantly over budget and adjustments to project plans had to be made while seeking additional funding sources.

2021/22 HIGHLIGHTS

STRATEGIC PLAN

In August 2021, SLPC finalized a new five-year strategic plan and 10-year road map to serve as our foundational strategy for responding to challenges and aging infrastructure, moving the Commission forward toward recovery and self-sustainability. The plan focuses on investing in our talented workforce, valuing our seasonal and student job creation, strengthening community connections, and expanding and refreshing infrastructure. The priorities aim to protect and preserve our environment with sustainable operations and practices while working towards enhanced environmental stewardship and access to our beautiful natural assets. The plan was developed through a comprehensive consultation process with the Board of Commissioners, senior and front-line staff, municipal and community partners, and SLPC's valued customer base, as facilitated by consultants from MDB Insights and the Executive Decision Centre at Queen's University's Smith Business School. As a result, the strategic plan reflects the values, vision and priorities of our community, which will undoubtedly be a contributing factor to its success.

THOUSAND ISLANDS PARKWAY TRAIL ADVISORY COMMITTEE (TIPTAC)

In 2021, SLPC worked with partners Front of Yonge Township, the Township of Leeds and the Thousand Islands and the Ontario Trail Council to establish the Thousand Islands Parkway Trail Advisory Committee (TIPTAC) as an independent body to help guide decision-making and shape the Thousand Islands Parkway (TIP) Multi-Use Recreational Trail for the future. As a community-led advisory body, the committee strives to provide the best possible multi-use recreational trail experience on the TIP trail, while balancing the needs of residents, visitors, and the St. Lawrence Parks Commission (SLPC) as the landowner, in promoting a safe, sustainable, and responsibly used trail system. Throughout the year, the committee undertook much public consultation with recreational groups, trail user federations, and people who live on and use the Thousand Islands Parkway every day and are working on establishing safe and user-friendly winter maintenance practices for the trail.

BROWN'S BAY REVITALIZATION

In November 2021, SLPC officially launched a multi-year project to restore its Brown's Bay Beach site along the Thousand Islands Parkway in Mallorytown, Ontario - the first step in a long-term phased approach to modernizing and optimizing the Brown's Bay site so that it offers safe, accessible and memorable guest experiences from the ground up. With the support of the Ministry of Heritage, Sport, Tourism and Culture Industry's (MHSTCI) Capital Repair and Rehabilitation (R&R) program, the site will undergo key infrastructure upgrades such as new gender-neutral, accessible washrooms, changerooms and a new canteen within one new building; major reconstruction of a portion of the seawall that will support a sustainable beach

environment and create barrier-free ramped entry points to the water; and a new and improved septic system, critical to meet environmental standards. Like many of SLPC's campgrounds and beaches, Brown's Bay is operating with its original infrastructure which is beyond its useful life and is in need of replacement. It marks the first in SLPC's process to upgrade its parks with beaches as the priority.

AULTSVILLE TRAIN TRANSFER

In Q4 of 2021/22 SLPC entered into an agreement with the Friends of Grand Trunk Railway 1008 (FTGR 1008) group to donate to them Locomotive GTR No. 1008, Passenger Coach No. 3474 and Baggage & Refrigeration Car No. 111562 (the "Aultsville train") located at the Aultsville Train Station, Upper Canada Village. The age of the train combined with the weathering and severe deterioration due to its constant exposure to the elements for decades made restoration cost-prohibitive and the asset did not align with the strategic preservation goals of the Village. The original announcement about divesting the train caused a stir in the community which has strong attachment to the train. Through the donation agreement, the Friends of the Grand Trunk 1008 group will rehabilitate the train through cosmetic restoration and long-term maintenance to prevent further deterioration, while keeping the train in its current location. The agreement is a win-win arrangement, strengthening the ties between SLPC and the wider community, while allowing SLPC to focus on delivering programs and services in an efficient and sustainable manner.

SKYWOOD ECO ADVENTURE THIRD-PARTY OPERATION

In Q4, SLPC announced that it has engaged Treetop Trekking, a highly experienced, capable and qualified third-party vendor to operate and maintain Skywood Eco Adventure, a move that will enhance the property's operational efficiency and long-term sustainability. SLPC conducted a thorough review of the business and evaluated several potential business models before landing on the alternative service delivery plan for the attraction. Alternative service delivery allows SLPC to retain the asset and guarantee revenue through annual licensing and a percentage of gross revenues, while continuing to offer a tourism draw to the local community and the option to further develop the site with the potential to offer complementary services or experiences in the future.

NEW PUMPKINFERNO @ FORT HENRY

SLPC doubled its Pumpkinferno fun in 2021 with two simultaneous events in Kingston and Morrisburg. The Fort Henry event in Kingston leveraged the model, success and physical assets of the long-running Upper Canada Village event for a relatively low-input recipe for success. Both events sold out during their run, with Fort Henry's debut welcoming more than 35,000 guests to the west end of the corridor, representing \$3,410,000 in visitor spending, and Upper Canada Village's legacy welcoming more than 43,000 guests to the east end of the corridor,

representing \$6,615,000 in visitor spending, for a total of \$10,000,000 in economic impact to the region, according to the Tourism Regional Economic Impact Model, developed by the Ministry of Heritage, Sport, Tourism and Culture Industries. This was a significant contribution to extending the tourism season and creating a successful shoulder season.

MITIGATING PANDEMIC FINANCIAL CONDITIONS

In 2021, SLPC developed a COVID-19 Financial Recovery Plan and remained sustainable by regularly revising budgets and operational models to mitigate the impact of COVID-19. As a result, SLPC did not require Emergency Stabilization Funding from the government.

GUESTS AT SLPC

In 2021 SLPC adopted a new customer service approach that is centred around treating visitors to our sites as “guests.” This focus on guests will provide a framework and understanding of how all SLPC employees are expected to interact with people, treating them as if they are guests in our own homes. To lead by example, the Marketing, Customer Service and Communications Division changed the name of our “Customer Service Unit” to the “Guest Relations Unit,” emphasizing a commitment to both treating all our visitors as guests and to building relationships with them. This is a tangible, visible change that will help the organization implement this new approach that is designed to deliver a guest experience that makes guests want to come back and bring others to experience it as well.

ANTI-RACISM ACTION PLAN

SLPC launched an anti-racism action plan that speaks to bold actions and demonstrating anti-racist and accountable leadership to address three priorities: 1) Build anti-racism competency and capacity 2) Diversify the talent pipeline and 3) Foster and be accountable for an anti-racist and inclusive workplace. In 2021/22 SLPC began implementing its Anti-Racism Action Plan (ARAP), including creating a staff working group, exploring and leveraging OPS resources such as the OPS anti-racism policy and three-year strategy, the Employee Experience Survey results and staff training and presentations for management from the OPS anti-racism directorate, as well as hiring an SLPC Cultural Advisor on a temporary assignment to lead the advancement of key objectives of the plan.

TRIPADVISORS TRAVELLERS’ CHOICE AWARDS

Kingston Pen Tours and Fort Henry were each awarded a 2021 Tripadvisor Travellers’ Choice Award. This achievement celebrates businesses that consistently deliver fantastic experiences to travellers around the globe, having earned great traveller reviews on Tripadvisor over the last 12 months.

RESULTS: OPERATIONAL PERFORMANCE

2021/22 RESULTS OVERVIEW

A key over-arching theme in both SLPC's strategic priorities and the 2021/22 government mandate is a focus on creating profit through efficiency, expense management and seeking opportunities for revenue generation. In 2021/22:

- While overall, SLPC's retail sales in 2021/22 were half of what pre-pandemic levels were, the numbers did more than double year-over year. This was thanks in part to a new retail strategy at Kingston Pen Tours (KP) that took KP retail sales from \$13,000 in 2020-21 to \$117,000 in 2021-22, exceeding their target by 422%.
- Kingston Pen Tours launched two new tours, the Film Tour and the Architectural Tour, contributing to KP Tours being ahead in overall revenue by 17.7%.
- Upper Canada Village implemented operational changes to its long-running Pumpkinferno special event, increasing capacity and expanding to 7 nights a week, resulting in 43,000 visitors attending and a net profit of \$477,000.
- Fort Henry Pumpkinferno paused its annual Fort Fright event and introduced a new Pumpkinferno at Fort Henry with the assistance of Upper Canada Village. Advance ticket sales exceeded the overall budgetary goal by 53% prior to opening day.
- The marina prioritized marketing and outreach on indoor storage, reaching capacity for this service this year with continuing demand exceeding availability.
- The golf course focused on growing junior golf as a means of broadening the customer base and securing the base for the future, resulting in an increase of 60 new members in 2021/22.
- Campgrounds and beaches resumed hosting events through special agreements raising revenue through usage fees and increased attendance, contributing to total revenue exceeding forecast by 14.2%.
- SLPC updated its Investment Policy (short-term investment options) to better align with the investing powers enabled by the *St. Lawrence Parks Commission Act* (SLPCA).
- The Land Use Planning unit completed a land inventory assessment for SLPC including appraisals of selected SLPC properties.

- SLPC successfully collaborated with the Ministry of Transportation (MTO) to eliminate the corridor maintenance payment.
- Marketing, Communications and Guest Relations implemented a grassroots marketing outreach program, where costumed SLPC Ambassadors greeted guests at Kingston Pen Tours and engaged with visitors at the Tourism Kingston Visitor Information Centre, along with other points of interest in Kingston, creating a buzz on social media.
- Marketing developed a cross-promotional tool kit as a strategic tool for front-line staff to promote all SLPC experiences to visitors.

Part of securing financial sustainability is ensuring continued functional operations which requires investment in infrastructure. In 2021/22 SLPC:

- Completed the redesign of washrooms for campgrounds and beaches. Three designs have been developed including a small- and medium-sized washroom plan for campgrounds, as well as a large washroom/change room/canteen design for beach areas.
- Launched the Brown's Bay Beach revitalization project, including seawall replacement, new septic system and a new washroom/changeroom/canteen building.
- Installed drainage in Upper Canada Village (UCV) to prevent flooding.
- Developed a funding strategy to fund infrastructure renewal program and garnered MHSTCI support for a government funding request.
- Completed feasibility studies for sewer connection of campgrounds and attractions along the Long Sault Parkway and Highway 2 to municipal services in the Townships of South Stormont and South Dundas.
- Transferred \$2,953,000 to the Commission's Internally Restricted Reserve fund, for investment in programs and capital projects that will best contribute to the financial sustainability of future and ongoing operations.

To support the digital mandate from the Minister and enhanced customer service standards, in 2021/22 SLPC:

- Launched appointment booking software so guests can schedule an appointment for a Guest Relations agent to call them for support.
- Focused on guest care through social media.
- Relaunched the Paramount Work-Force document management system (paperless purchasing, accounts payable, and e-Expenses).
- Relaunched the customer relationship management (CRM) software implementation.
- Procured and launched a new camping reservation system in time for 2022 season reservations which allows users to manage their own bookings.

In 2021/22 SLPC ensured the health and safety of its workforce and its operations by:

- Reducing staff exposure to hazardous working conditions, with heat and COVID-19 considerations; zero labour hours were lost to injury.
- Making modifications to maintenance workflows to enable continued safety work amid the pandemic, including safety training, end-of-life equipment upgrades and preventative ice strategies.
- Continuing to work with MTO on the development of a corridor management plan to address safety, maintenance, and esthetic issues continue along the Thousand Islands Parkway.
- Negotiating advanced operating transfer payment from Ministry to mitigate any cashflow concerns caused by impact of COVID-19.

PERFORMANCE MEASURES AND RESULTS

The diverse nature of SLPC's business portfolio and broad mandate, mixed with the need to achieve government priorities, necessitates the use of a variety of performance measurement tools. The performance results, identified as outcomes to improve clarity and comply with the Agencies and Appointments Directive (AAD), will be reviewed regularly by the business unit managers, senior leadership team, and Board of Commissioners. The following are Key Performance Measures that SLPC uses in its operations to assess performance.

FINANCIAL

Senior leadership conducts monthly financial reviews of key performance indicators, income statements, IRR reports, capital reports, and activity reports to evaluate financial performance versus budget for the period.

2021/22

Measure	2021/22 Budget ¹	2021/22 Result
Total revenue, before KP Tours (excluding TP ²)	\$7,876,000	\$10,142,000
Total expenditures, before KP Tours (excluding TP ²)	\$14,874,000	\$14,271,000
Net income, before KP Tours (including TP ²)	\$126,000	\$2,994,000
KP Tours – total revenue	\$1,345,000	\$1,653,000
KP Tours – total expenditures	\$1,344,000	\$1,078,000
KP Tours – net income	\$1,000	\$574,000

1. Budget column adjusted to include cost of goods sold net of revenue to align with Financial Statement format.
2. “TP” is SLPC’s operating transfer payment which had a budget and actual of \$7,122,800.

ATTENDANCE

Activity (attendance) levels are evaluated and compared to the budget and previous year to evaluate performance, identify trends and opportunities.

2021/22 PERFORMANCE

Attraction	2021/22 Visitor Activity Forecast	2021/22 Visitor Activity Result
Fort Henry (admissions/rentals)	40,000	65,000
Upper Canada Village (admissions/rentals)	74,000	114,000
Parks (nights/admissions)	152,000	152,000
Upper Canada Golf Course (rounds/rentals)	22,000	28,000
Skywood Eco Adventure Park (admissions)	0	0
Kingston Pen Tours admissions	34,000	36,000
SLPC Total (excluding marina)	322,000	394,000
Crysler Park Marina (docked/stored linear ft. per day)	1,004,000	1,512,000
SLPC Total (including marina)	1,326,000	1,907,000

CUSTOMERS

A key driver of an improved financial outcome is optimal customer satisfaction levels. This can be achieved through improved customer service standards, consistent monitoring of customer satisfaction levels and customer-centric decision-making regarding product offerings and marketing campaigns. SLPC committed to undertaking the following to achieve those outcomes:

- Reduction in response time to a maximum of 2 business days for incoming customer emails; (output)
- Digitization of information and booking experience will allow for a staff reduction of 2 seasonal positions in the Customer Service Unit and improve customer experience; (output/outcome)
- Engage Kingston community tourism partners to offer more Kingston Pen Tour packages with a targeted increase in hotel package sales of 4% YOY; (output/outcome)
- Consistent postal/zip code tracking and analysis /comparison with industry data to inform marketing strategy to meet attendance/ revenue goals; (output/outcome)
- Utilize marketing campaigns, Customer Service agents and front-line staff to promote SLPC ticketing packages with a targeted increase of 4% YOY in sales of seasonal passes (output/outcome)

2021/22 PERFORMANCE

Measure	2021/22 Target
Reduction in response time for incoming customer emails	maximum of 2 business days

2021/22 RESULTS

The mass refund situation for camping due to COVID restriction closures resulted in a massive influx of emails and continued follow-ups throughout the season. That build-up, combined with the operational reality of only two Guest Relations agents on staff and a manual refund process performed by those same agents, made the two-business day response time unachievable for most of the 2021/22 regular season. We did redirect resources from other areas to respond to non-refund-related emails to improve response time so that some guests were receiving responses within or close to the target time.

By the fall events, we were meeting or exceeding the target each day.

Measure	2021/22 Target
Digitization of information and booking experience will streamline business unit and improve customer experience	staff reduction of 2 seasonal positions in the Customer Service Unit

2021/22 RESULTS

In 2021/22 special attention was paid to being responsive by identifying when we received numerous questions on a particular topic and improving that information on that topic online and sharing it via social media to try to answer those same questions before future guests asked them.

Additionally, an online appointment booking program was implemented to begin a shift away from being only focused on incoming calls, to start to introduce more outbound calls as well as shifting priority to emails rather than simply phones.

We did achieve the reduction of two seasonal positions, however, due to the mass refund situation for camping due to COVID restriction closures, we were unable to truly test if the customer experience was improved.

Measure	2021/22 Target
Engage Kingston community tourism partners to offer more Kingston Pen Tour packages	increase in hotel package sales of 4% YOY

2021/22 RESULTS

SLPC engaged Tourism Kingston, one of its most valued tourism partners in multiple ways in 2021/22, including via the ambassador program (detailed below), regular meetings, and special access to ticketing for Fort Henry's Pumpkinferno for the Kingston Accommodation Partners. However, COVID continued to affect the ability of community tourism partners to promote Kingston Pen Tours packages. Reduced tour capacity created limited inventory and visitor hesitation to commit to travel plans created short booking cycle windows. This combination made it difficult for partners to book tours for their visitors. While we hope that this season will see COVID as a less significant factor in this regard, the current ticketing system for Kingston Pen Tours continues to present an issue because it cannot support packages, which complicates the booking process for hotel partners and for guests.

Measure	2021/22 Target
Consistent postal/zip code tracking and analysis /comparison with industry data to inform marketing strategy	meet attendance/ revenue goals

2021/22 RESULTS

As reported in the attendance performance measures section above, SLPC met or exceeded 2021/22 attendance forecasts at all its properties last year.

One way that marketing efforts supported this goal was via postal/zip code tracking and analysis/comparison. An international visitor behaviour report was created and detailed analysis has been undertaken of visitor origin for Kingston Pen Tours, Fort Henry's Pumpkinferno and Upper Canada Village's Pumpkinferno and Alight at Night events. This data was paired with website and social media analytics to help form data-driven marketing decisions. Data analysis is ongoing.

Measure	2021/22 Target
Utilize marketing campaigns, Customer Service agents and front-line staff to promote SLPC ticketing packages	increase of 4% YOY in sales of seasonal passes

2021/22 RESULTS

Marketing, Communications and Guest Relations implemented a grassroots marketing outreach program, where costumed SLPC Ambassadors greeted guests at Kingston Pen Tours and engaged with visitors at the Tourism Kingston Visitor Information Centre, along with other points of interest in Kingston which created an effective buzz on social media.

Additionally, a cross-promotional tool kit was developed as a strategic tool for front-line staff to promote all SLPC experiences to visitors.

Unfortunately, due to shortened operational seasons, seasonal passes were not sold in 2021.

HUMAN RESOURCES AND HEALTH & SAFETY

Measurement and tracking through various forms such as surveys, direct feedback and industry indicators and standards is a useful way for SLPC to understand the current state of its workplace and the needs and changes that are required to continue to move forward in a progressive manner. SLPC has committed to continuing to utilize and implement the following to that end.

- Target 100% participation of regular service staff in OPS Employee Experience Survey to provide robust data to inform SLPC's future efforts to provide a healthy and satisfying place to work;
- Continue to maintain low activity levels (0 to 1 complaints per year) using early and effective conflict resolution methods with regards to the Respectful Workplace Policy;

- SLPC will continue progress on becoming a “safety-first” culture with a targeted decrease in staff and visitor incidents of 10% YOY;
- Regular service staff compliment is maintained within FTE cap of 61, fixed-term contracts required for shoulder season events and capital projects that temporarily add to FTE count are assessed on a case-by-case basis;
- Lean enhancements to automated systems will improve end user experience with a target to reduce time spent in systems by 30% in 2021.

SLPC is committed to the professional growth and development of its workforce and strives to provide innovative and meaningful learning opportunities for staff through the corporate training plan and supporting retention and succession planning. Continual feedback from managers and staff as well as local Employee Relations Committees will help SLPC better understand its needs moving forward.

SLPC will also adhere to its recruitment diversity mandate and track the number of hires to designated positions by staff category and location to ensure services can be provided in French and English at all key frontline areas. French competency will be tested using a qualified vendor of record. SLPC will also continue to promote and track diversity in leadership positions.

2021/22 PERFORMANCE

Measure	2021/22 Target	2021/22 Results
Participation of regular service staff in OPS Employee Experience survey	100%	71%
Respectful workplace activity levels	0-1 complaints	1
Staff and visitor incidents	Reduction of 10%	Staff- reduction of 54% Visitor- reduction of 84%
Regular service staff complement FTE cap of 61	61	61

Measure	2021/22 Target
Time spent in systems	Reduction of 30%

2021/22 RESULTS

Two years of COVID-modified and shortened caused a dramatically reduced number of transactions. Unfortunately, this means metrics for automation were not available for 2021/22.

2021 STAFF INCIDENTS BY TYPE

Incident Type	Number of Incidents	Percentage Value of Total Incidents
Stuck/caught	6	25%
Slip/trip	4	16.7%
Falls	4	16.7%
Insect stings	4	16.7%
Overexertion / repetition	3	12.5%
Tick bites	2	8.3%
Debris in eyes	1	4.1%
TOTAL	24	100%

2021 VISITOR INCIDENTS BY TYPE

Incident Type	Number of Incidents	Percentage Value of Total Incidents
Stuck/caught	1	6.7%
Slip/trip	0	0%
Falls	3	20%
Insect stings	4	26.7%
Overexertion	1	6.7%
Tick bites	0	0%
Heat-related	1	6.7%
Other	5	33.3%
TOTAL	15	100%

2021 FULL TIME EQUIVALENTS

Full Time Equivalent (FTE) metrics are compiled and analyzed to ensure operation within cap limits and effective utilization of human resources.

SLPC STAFFING SUMMARY	2021/22	2020/21	2019/20
Regular Full-time	56	56	57
Regular Part-Time	1	1	1
Seasonal (averaging 5-6 months per year)	136	142	184
Fixed term, Group 1	18	14	20
Fixed term, Group 2	34	30	43
Student (averaging 4 months per year)	166	97	261
TOTAL SLPC STAFFING LEVELS	411	340	566

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

RESULTS: FINANCIAL PERFORMANCE

SLPC Operating Financial Performance	2019/20 Actual	2020/21 ¹ Actual	2021/22 COVID-19 Budget ¹	2021/22 ¹ Actual
Revenue incl. cost of goods sold	15,150,200	5,644,200	9,221,000	11,795,000
Expenses	19,975,000	12,474,000	16,218,000	15,349,000
Net income before Transfer Payment	(4,824,800)	(6,829,800)	(6,997,000)	(3,554,000)
Transfer Payment	7,122,800	7,122,800	7,122,800	7,122,800
Net income after Transfer Payment	2,298,000	293,000	126,000	3,569,000

1. Includes KP because starting in 2020/21 SLPC retains 100% of KP net income.

OPERATIONS

In November 2020, SLPC prepared a 2021/22 COVID-19 budget which forecasted a \$126,000 surplus by fiscal year-end.

Consistent with the previous year, SLPC received a provincial government operating grant in the amount of \$7,122,800 from the Ministry of Heritage, Sport, Tourism and Culture Industries (MHSTCI) and an additional \$71,000 from the Student Experience Program to subsidize student wages.

Excluding the \$7,122,000 transfer payment, SLPC generated \$11,795,000 in revenue (\$6,130,800 or 108% more than prior year), and \$15,349,000 in expenses (\$2,875,000 or 23% more than prior year) resulting in net income from operations of \$3,569,000 (\$3,276,000 or 1118% more than prior year). SLPC favourably surpassed its COVID-19 budget by \$3,443,200 or 2733% in 2021/22.

ASSET CONDITION

Many of SLPC's assets are fully depreciated and still in use beyond their expected useful life (they have \$0 net book value). As part of the Long-term Capital Plan, SLPC will develop an Asset Replacement Strategy to improve net book value and the average age of its assets. Below is the status of SLPC assets as at March 31, 2022 (reported in thousands):

Asset category	Cost (in thousands)	Accumulated Amortization (in thousands)	2022 Net Book Value (in thousands)	2021 Net Book Value (in thousands)
Buildings and other structures	\$21,320	\$6,711	\$14,609	\$15,244
Landhold improvements	13,945	5,822	8,123	8,748
Exhibits	7,139	6,931	208	705
Machinery, equipment and tools	4,928	4,165	763	1,031
Vehicles	6,274	5,049	1,225	1,301
Computer systems and licences	3,536	3,236	300	346
Office furniture and equipment	1,916	1,763	153	151
Structures	12,610	7,840	4,770	5,295
Construction in progress	1,571	-	1,571	51
Total	\$73,239	\$41,517	\$31,722	\$32,872

REPAIR & REHABILITATION PROGRAM FUND

SLPC is steward of 7,000 acres of land over a 200 km stretch from Kingston to the Quebec border along the St. Lawrence River corridor. Operations include 3 major historic attractions, 10 campgrounds and 6 beaches, the 37-km Thousand Islands Parkway, 11-km Long Sault Parkway, a long-distance multi-use recreational trail, a bird sanctuary, an eco-friendly zip line aerial park, 18-hole golf course, a marina, and gift and retail stores.

SLPC receives approximately \$5,000,000 to \$7,000,000 in capital grant funding annually to address 100 or more projects required in order to keep sites operational. Many SLPC assets are beyond their useful life and, as a result, the available funding falls short of requirements. SLPC does its best to maintain assets within its ability and resources available; however, due to the aging nature of its infrastructure, many projects are added to the queue and recorded as deferred capital maintenance. Major deferred capital projects include the revitalization of aging septic systems and washrooms, restoration of beaches and seawalls, electrical infrastructure at Upper Canada Village and Chrysler Park, rural attraction internet connectivity, maintaining roadways, forestry rehabilitation, docks, etc. Currently, there is a significant deferred capital maintenance balance as per the Ministry's asset management information system data.

For 2021/22, SLPC received \$6,161,500 in grant funding from MHSTCI to address high priority capital projects which were:

- Vital to ensuring the safety of staff and visitors
- Necessary to comply with legislative and regulatory requirements

- To repair or replace failing infrastructure
- Required to support ongoing operations and revenue generation

Many projects are related to the regular maintenance of buildings and other assets that fall under the categories listed above.

Beyond the routine capital maintenance such as plumbing, electrical, heating, cooling, equipment upgrades, etc., some significant capital projects for 2021/22 included septic and washroom revitalization, marina dredging, network bandwidth expansion at the administration building, digitized phone system, Fort Henry historical restoration, engineering and design work for municipal sewer and water connections, and starting the Brown's Bay Beach revitalization project which includes restoring the seawall, beach, and building a new washroom and canteen facility.

SLPC has been partnering with Infrastructure Ontario on several of the major capital projects including the revitalization of septic systems and washrooms to have them assist with project management and delivery.

INTERNALLY RESTRICTED RESERVE

In 2011/12 SLPC and the MHSTCI collaboratively established an Internally Restricted Reserve (IRR) with a one-time, \$2,500,000 grant provided by the MHSTCI. The IRR is the investment fund that SLPC uses to drive sustainable growth towards financial self-sufficiency (less reliance on government funding). The IRR is funded internally through unrestricted net income. It is invested in new programs and events, enhancements to customer experience, and for initiatives that will result in cost savings. The SLPC Board of Commissioners established and approved guidelines for the fund that requires that projects approved for funding generate (1) a variable contribution margin of at least 50%, or (2) result in cost savings of at least 25%.

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

Since 2011/12, SLPC's net income from operations has contributed over \$22,100,000 to the IRR and over \$12,900,000 has been invested in projects such as developing:

- The critically acclaimed fall event PumpkInferno that attracted over 77,000 visitors in one year and generates around \$500,000 in net income for the IRR annually Camper Cabins that generate over \$260,000 in revenue annually
- Full-service campground upgrades that generate over \$200,000 in revenue annually

- Electrical efficiency upgrades to reduce SLPC power consumption that has saved an estimated \$50,000 annually

In 2021/22, ongoing IRR projects include:

- Development of campgrounds and beaches - \$1,150,000
- Development of revenue enhancement opportunities - \$150,000
- Artifact Collections Storage Facility - \$1,500,000
- Riverside-Cedar Campground upgrades - \$350,000
- Fort Henry accessibility upgrades - \$160,000
- Point-of-sales system - \$1,000,000

Future IRR projects will be based on the IRR criteria noted above and will contribute towards the SLPC Strategic Plan, financial sustainability, and SLPC operational efficiencies goals.

As SLPC has invested in refreshing visitor experiences and keeping pace with visitor demands, revenue from operations has grown from \$7,700,000 in 2011/12 to \$14,500,000 in 2019/20, an increase of 90%. 2020/21 and 2021/22 are left out of this analysis as they are outlier years due to COVID-19.

The impact on SLPC's financial performance has been dramatic. In 2011/12 for every dollar of expense, SLPC generated \$0.53 in revenue; in 2019/20 prior to COVID-19, for every dollar of expense, SLPC generated \$0.76 of revenue.

The tourism industry sector was the first to be affected by COVID-19 and SLPC's progress towards financial sustainability was delayed by the pandemic. After COVID-19 reached our market, SLPC's expense to revenue ratio regressed; however, as we recover from COVID-19, SLPC is forecasting a gradual return to pre-COVID-19 levels and beyond. While tourism may be the last industry to recover; SLPC's new Strategic Plan positions the organization for success in the coming years.

MANAGEMENT'S RESPONSIBILITY FOR ANNUAL REPORTING

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

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

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

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

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

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



Hollie Kew
General Manager & CEO
St. Lawrence Parks Commission



Al Adibi
Director, Corporate Services
St. Lawrence Parks Commission

Financial Statements of

**THE ST. LAWRENCE PARKS
COMMISSION**

And Independent Auditor's Report thereon

Year ended March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the St. Lawrence Parks Commissioners

Qualified Opinion

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

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, except for the effects of the matters described in the "***Basis for Qualified Opinion***" paragraph, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

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

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

- the total assets reported in the statements of financial position as at March 31, 2022 and March 31, 2021
- the amortization of deferred capital contributions, the amortization expense of tangible capital assets and excess of revenue over expenses reported in the statements of operations for the years ended March 31, 2022 and March 31, 2021
- the unrestricted net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years March 31, 2022 and March 31, 2021
- the excess of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2022 and March 31, 2021

Our opinion on the financial statements for the year ended and March 31, 2021 was qualified accordingly because of the possible effects of this departure from the Canadian public sector accounting standards.



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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

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



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We also:

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

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

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

A stylized, handwritten-style signature of 'KPMG LLP' in black ink, with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 23, 2022

THE ST. LAWRENCE PARKS COMMISSION

Financial Statements

Year ended March 31, 2022

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THE ST. LAWRENCE PARKS COMMISSION

Statement of Financial Position

March 31, 2022, with comparative information for 2021
(In thousands of dollars)

	2022	2021
Assets		
Current assets:		
Cash and short-term investments	\$ 14,291	\$ 11,046
Due from the Province of Ontario	9,645	6,163
Accounts receivable	331	101
Inventories	355	419
Prepaid expenses	207	89
	24,829	17,818
Long-term investments (note 3)	500	—
Tangible capital assets (note 4)	31,722	32,872
Deferred land costs (note 7)	—	41
	\$ 57,051	\$ 50,731
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,758	\$ 1,124
Deferred contributions (note 5)	11,528	8,602
	14,286	9,726
Deferred contributions - tangible capital assets (note 6)	28,095	28,667
Due to the Province of Ontario (note 7)	—	300
Severance and future employee benefits (note 8)	390	711
Net assets:		
Unrestricted	1,245	1,245
Internally restricted (note 9)	13,035	10,082
	14,280	11,327
Commitments (note 14)		
	\$ 57,051	\$ 50,731

See accompanying notes to financial statements.

Approved on behalf of the Board of Commissioners:

Commissioner

Commissioner

THE ST. LAWRENCE PARKS COMMISSION

Statement of Operations

Year ended March 31, 2022, with comparative information for 2021
(In thousands of dollars)

	Unrestricted	Internally restricted (note 9)	Total 2022	Total 2021
Revenue:				
Provincial transfer – operating grant	\$ 7,234	\$ 9	\$ 7,243	\$ 7,257
Camping	4,831	–	4,831	2,477
Entrance receipts	4,691	–	4,691	1,619
Golf course	639	–	639	560
Marina docking and storage	544	–	544	352
Gross profit from retail operations (note 10)	441	–	441	200
Concession and site	250	–	250	135
Miscellaneous	166	–	166	52
Investment income	62	–	62	98
Sponsorships	60	–	60	26
	18,918	9	18,927	12,776
Expenses:				
Salaries, wages, and benefits (note 12)	11,505	1	11,506	9,842
Services	2,665	53	2,719	1,805
Supplies and equipment	971	–	971	692
Amortization of tangible capital assets	17	571	588	761
Transportation and communication	176	–	175	157
Miscellaneous	15	–	14	15
	15,349	625	15,974	13,272
Other government items:				
Amortization of deferred capital funding	5,544	–	5,544	5,813
Amortization of tangible capital assets	(3,351)	–	(3,351)	(3,631)
Refurbishment expenses	(2,193)	–	(2,193)	(2,182)
	–	–	–	–
Excess (deficiency) of revenue over expenses	\$ 3,569	\$ (616)	\$ 2,953	\$ (496)

See accompanying notes to financial statements.

THE ST. LAWRENCE PARKS COMMISSION

Statement of Changes in Net Assets

Year ended March 31, 2022, with comparative information for 2021
(In thousands of dollars)

	Unrestricted	Internally restricted (note 9)	Total 2022	Total 2021
Balance, beginning of year	\$ 1,245	\$ 10,082	\$ 11,327	\$ 11,823
Excess (deficiency) of revenue over expenses	3,569	(616)	2,953	(496)
Internal transfer (note 9)	(3,569)	3,569	—	—
Balance, end of year	\$ 1,245	\$ 13,035	\$ 14,280	\$ 11,327

See accompanying notes to financial statements.

THE ST. LAWRENCE PARKS COMMISSION

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021
(In thousands of dollars)

	2022	2021
Cash provided by (used for):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 2,953	\$ (496)
Items not involving cash:		
Amortization of tangible capital assets	3,939	4,392
Amortization of deferred capital contributions	(5,553)	(5,822)
Forgiveness of loan (note 7)	(41)	—
Recognition of deferred land costs (note 7)	41	—
Change in non-cash operating working capital:		
Due from the Province of Ontario	(3,482)	(1,025)
Accounts receivable	(230)	(57)
Inventories	64	27
Prepaid expenses	(118)	(28)
Accounts payable and accrued liabilities	1,634	(325)
Deferred contributions	2,926	2,236
Due to the Province of Ontario	(259)	—
Severance and future employee benefits	(321)	(402)
	1,553	(1,500)
Capital activities:		
Acquisition of tangible capital assets	(2,789)	(1,839)
Receipt of deferred capital contributions	4,981	4,022
	2,192	2,183
Investing activities:		
Purchase of long-term investments	(500)	—
Increase in cash and short-term investments	3,245	683
Cash and short-term investments, beginning of year	11,046	10,363
Cash and short-term investments, end of year	\$ 14,291	\$ 11,046

See accompanying notes to financial statements.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements

Year ended March 31, 2022
(In thousands of dollars)

1. Governing statutes:

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

2. Significant accounting policies:

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

(a) Cash and short-term investments:

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

(b) Revenue recognition:

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

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

Entrance fees, campsites, golf course, concession and site, sponsorships, and marina docking and storage revenues are recognized in accordance with the agreement between the parties, when services have been rendered, fees are fixed or determinable and collection is reasonably assured. Fees received for services performed after the end of the fiscal year of the Commission are recorded as deferred revenue.

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

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2022
(In thousands of dollars)

2. Significant accounting policies (continued):

(c) Inventory valuation:

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

(d) Tangible capital assets:

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

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

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

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

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

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

(e) Salaries, wages and benefits:

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

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2022
(In thousands of dollars)

2. Significant accounting policies (continued):

(f) Severance accrual:

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

(g) Workplace Safety and Insurance Board:

The Province provides benefits to OPS employees on workers' compensation through the Workplace Safety and Insurance Board (WSIB). Up to March 31, 2021, the Commission accrued its obligation for this employee benefit. The costs of this benefit were actuarially determined province wide, based on historical and previous experience. Effective April 1, 2021, the Commission no longer accrues its obligation for this employee benefit as the Province accrues it on its own financial statements for all consolidated agencies.

(h) Pension plan:

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

(i) Financial instruments:

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

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2022
(In thousands of dollars)

2. Significant accounting policies (continued):

(i) Financial instruments (continued):

Canadian public sector accounting standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

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

(j) Use of estimates:

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

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2022
(In thousands of dollars)

3. Long-term investments:

Long-term investments is comprised of a Principal Protected Deposit Note held with the Bank of Montreal and aims to track the gross total return performance of the Solactive Equal Weight Canada Banks Index. The principal balance of the investment holding is fully protected against any losses if held until its maturity date of November 5, 2027. The market value of this holding at March 31, 2022 is \$464. Unrealized losses have not been recognized through a Statement of Remeasurement Losses and the investment continues to be held at cost as the principal balance of the holding is protected.

The long-term investment is a Level 2 measurement on the fair value hierarchy. There were no transfers between Level 1 and Level 2 for the years ended March 31, 2022 and 2021. There were also no transfers in or out of Level 3.

4. Tangible capital assets:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Buildings and other structures	\$ 21,320	\$ 6,711	\$ 14,609	\$ 15,244
Landhold improvements	13,945	5,822	8,123	8,748
Exhibits	7,139	6,931	208	705
Machinery, equipment and tools	4,928	4,165	763	1,031
Vehicles	6,274	5,049	1,225	1,301
Computer systems and licenses	3,536	3,236	300	346
Office furniture and equipment	1,916	1,763	153	151
Structures	12,610	7,840	4,770	5,295
Construction in progress	1,571	—	1,571	51
	<u>\$ 73,239</u>	<u>\$ 41,517</u>	<u>\$ 31,722</u>	<u>\$ 32,872</u>

Cost and accumulated amortization at March 31, 2021 amounted to \$70,450 and \$37,578, respectively.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2022
(In thousands of dollars)

5. Deferred contributions:

	2022	2021
Prepaid admissions and camping	\$ 2,694	\$ 3,051
Brown's Bay Donation	9	—
Ministry of Tourism, Culture and Sport, unspent funds	8,379	4,945
Kingston Penitentiary Tours destination marketing	446	606
	<u>\$ 11,528</u>	<u>\$ 8,602</u>

6. Deferred contributions - tangible capital assets:

	2022	2021
Ministry of Tourism, Culture and Sport - funding for refurbishment:		
Balance, beginning of year	\$ 13,671	\$ 13,976
Contribution received in current year	4,981	4,022
Amortization	(4,316)	(4,327)
Balance, end of year	14,336	13,671
Ministry of Tourism, Culture and Sport - funding for revitalization:		
Balance, beginning of year	12,188	13,476
Amortization	(1,030)	(1,288)
Balance, end of year	11,158	12,188
Ministry of Tourism, Culture and Sport - infrastructure stimulus funding:		
Balance, beginning of year	2,759	2,937
Amortization	(178)	(178)
Balance, end of year	2,581	2,759
Celebrate Ontario:		
Balance, beginning of year	13	22
Amortization	(9)	(9)
Balance, end of year	4	13
Bike infrastructure program:		
Balance, beginning of year	36	56
Amortization	(20)	(20)
Balance, end of year	16	36
	<u>\$ 28,095</u>	<u>\$ 28,667</u>

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2022
(In thousands of dollars)

7. Due to Province:

On February 6, 2013, the Commission received one-time funding to support a land sales initiative program being undertaken at the time with Ontario Infrastructure and Lands Corporation. This funding was provided on an interest free basis, and on the understanding that it would be repaid upon completion of the sale(s). There were no costs incurred during the fiscal year (2021 - \$Nil) relating to the land sales initiative. Costs incurred in the 2014 fiscal year amounted to \$41 and were capitalized as deferred land costs, which were to be recognized in operations against related proceeds on sale. This loan was repaid in 2022 as the initiative was halted in 2014. The Ministry agreed to forgive \$41 of the loan to offset the \$41 in capitalized deferred land costs. The \$41 forgiven portion of the loan and write-off of the deferred land costs has been recognized in Provincial transfer – operating grant and Services on the Statement of Operations, respectively.

8. Severance and WSIB accruals:

The Province provides benefits to OPS employees on workers' compensation through the Workplace Safety and Insurance Board (WSIB). Effective April 1, 2021, the Commission no longer accrues its obligation for this employee benefit as the Province accrues it on its own financial statements for all consolidated agencies. The release of the WSIB benefit accrual from the prior year was recorded through Services expense on the Statement of Operations.

	2022	2021
Severance accrual	\$ 390	\$ 422
WSIB benefit accrual	–	289
	\$ 390	\$ 711

9. Internally restricted net assets:

A portion of net assets has been internally restricted by the Board of Commissioners to fund future capital expenditures. In the current year, the Board of Commissioners approved a deficiency of revenues over expenses of \$616 (2021- \$789) from these restricted net assets.

The Board of Commissioners has approved the transfer of \$3,569 (2021 - \$2,606) to the Commission's Internally Restricted Reserve fund, for investment in programs and projects that will best contribute to the financial sustainability of future and ongoing operations.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2022
(In thousands of dollars)

10. Gross profit from retail operations:

Retail gross profit is comprised of:

	2022	2021
Sales from retail operations	\$ 1,180	\$ 495
Cost of goods sold	(739)	(295)
Gross profit from retail operations	\$ 441	\$ 200

11. Transactions with the Province:

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

Included in trade payables and accrued liabilities is \$212 (2021 - \$169) due to the Ministry of Finance in connection with payroll expenses.

During the year, the Commission paid a total of \$11,905 (2021 - \$10,434) in gross payroll expenses to the Ministry of Finance.

Included in Services expenses is \$73 (2021 - \$84) paid to the Ministry of Finance for various services including advertising, pay stub printing, telephone chargebacks, legal services, training, and licenses.

During the year, the Commission paid \$27 (2021 - \$27) to the Ministry of Finance for general liability insurance.

During the year, the Commission paid \$259 (2021 - \$Nil) to the Ministry of Heritage, Sport, Tourism and Culture Industries for a repayment of an interest-free loan provided in 2013 to support a land sales initiative (note 7).

During the year, the Commission recognized funding totaling \$12,777 (2021 - \$13,070) from the Ministry of Heritage, Sport, Tourism and Culture Industries, which is included in Provincial transfer – operating grant and funding recognized as deferred capital contributions.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2022
(In thousands of dollars)

12. Pension plan:

The Commission's contribution to the PSP Plan and the OPSEU Pension Trust for the year ended March 31, 2022 was \$594 (2021 - \$579) and is included in salaries, wages and benefits on the Statement of Operations.

13. Remuneration of members:

Total remuneration of members of the Commission was \$18 (2021 - \$18) and is included in salaries, wages and benefits on the Statement of Operations.

14. Commitments:

The Commission has entered into long-term lease agreements expiring on various dates between September 2023 and June 2024. Under the terms of these agreements, the minimum annual lease payments for the next two years are as follows:

2023	\$	14
2024		9
	\$	23

15. Risk management:

(a) Credit risk:

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

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

The trade accounts receivable balances are managed and analyzed on an ongoing basis with a large amount due from the Province where the collection risk is low. Accordingly, the Commission's exposure to doubtful accounts is not significant. The balance in the allowance for doubtful accounts at March 31, 2022 is \$Nil (2021 - \$23).

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

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2022
(In thousands of dollars)

15. Risk management (continued):

(b) Liquidity risk:

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

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

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. The Commission is exposed to market through its long-term investments.

To manage the exposure to market risk, an investment policy is in place and its application is monitored on an ongoing basis throughout the year.

There has been no significant change to the risk exposures from 2021.

16. Impact of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization resulting in significant local and global impacts. As of March 31, 2022, the pandemic is ongoing which continues to have the potential to create financial stress on the Commission.

At this time, the ongoing COVID-19 pandemic presents uncertainty over future cash flows, may cause significant changes to the assets and liabilities, and may have a significant impact on future operations. The Commission continues to monitor and assess the effect that COVID-19 will have on its operations and financial results. At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.