Financial Statements of

THE ST. LAWRENCE PARKS COMMISSION

And Independent Auditor's Report thereon

Year ended March 31, 2024

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INDEPENDENT AUDITOR'S 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, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets (deficiency) 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, 2024, 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, 2024 and March 31, 2023
- the amortization of deferred capital contributions, the amortization of tangible capital assets and excess (deficiency) of revenue over expenses reported in the statements of operations for the years ended March 31, 2024 and March 31, 2023
- the unrestricted net assets (deficiency), at the beginning and end of the year, reported in the statements of changes in net assets (deficiency) for the years March 31, 2024 and March 31, 2023
- the excess (deficiency) of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2024 and March 31, 2023

Our opinion on the financial statements for the year ended March 31, 2023 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Auditor's 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 auditor's report that includes our opinion.

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

July 26, 2024

THE ST. LAWRENCE PARKS COMMISSION

Financial Statements

Year ended March 31, 2024

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THE ST. LAWRENCE PARKS COMMISSION

Statement of Financial Position

March 31, 2024, with comparative information for 2023
(In thousands of dollars)

	2024	2023
Assets		
Current assets:		
Cash and short-term investments	$ 12,638	$ 14,814
Due from the Province of Ontario	10,254	5,570
Accounts receivable	68	486
Inventories	450	399
Prepaid expenses	171	364
	23,581	21,633
Long-term investments (note 4)	2,500	500
Tangible capital assets (note 5)	42,154	38,235
	$ 68,235	$ 60,368
Liabilities and Net Assets (Deficiency)		
Current liabilities:		
Accounts payable and accrued liabilities (note 12)	$ 5,828	$ 4,443
Deferred contributions (note 7)	10,013	5,406
Bill 124 – Wage re-opener (note 17)	1,029	–
	16,870	9,849
Deferred contributions – tangible capital assets (note 8)	34,827	33,116
Severance and future employee benefits (note 9)	284	285
Asset retirement obligation (note 6)	29,700	28,581
	81,681	71,831
Net assets (deficiency):		
Unrestricted deficiency	(26,924)	(25,819)
Internally restricted (note 10)	13,478	14,356
	(13,446)	(11,463)
Commitments (note 15)		
Contingencies (note 17)		
	$ 68,235	$ 60,368

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, 2024, with comparative information for 2023
(In thousands of dollars)

	Unrestricted	Internally restricted (note 10)	2024 Total	2023 Total
Revenue:				
Provincial transfer – operating grant	$ 7,402	$ –	$ 7,402	$ 7,363
Entrance receipts	7,422	–	7,422	6,739
Camping	5,606	–	5,606	5,228
Gross profit from retail operations (note 11)	998	–	998	950
Concession and site	718	–	718	642
Golf course	724	–	724	635
Marina docking and storage	630	–	630	615
Investment income	757	–	757	387
Miscellaneous	227	–	227	228
Sponsorships	51	–	51	58
	24,535	–	24,535	22,845
Expenses:				
Salaries, wages, and benefits (note 14)	17,424	92	17,516	14,394
Services	4,287	658	4,945	3,662
Supplies and equipment	2,033	189	2,222	2,827
Amortization of tangible capital assets	136	400	536	492
ARO – inflationary adjustment	1,053	–	1,053	–
Transportation and communication	200	2	202	169
Miscellaneous	44	–	44	15
	25,177	1,341	26,518	21,559
Other government items:				
Amortization of deferred contributions – tangible capital assets	5,967	–	5,967	5,483
Amortization of tangible capital assets	(2,695)	–	(2,695)	(2,985)
Refurbishment expenses	(3,272)	–	(3,272)	(2,326)
	–	–	–	172
Excess (deficiency) of revenue over expenses	$ (642)	$ (1,341)	$ (1,983)	$ 1,458

See accompanying notes to financial statements.

THE ST. LAWRENCE PARKS COMMISSION

Statement of Changes in Net Assets (Deficiency)

Year ended March 31, 2024, with comparative information for 2023
(In thousands of dollars)

	Unrestricted	Internally restricted (note 10)	2024 Total	2023 Total
Balance (deficiency), beginning of year	$ (25,819)	$ 14,356	$ (11,463)	$ (12,921)
Excess (deficiency) of revenue over expenses (note 10)	(642)	(1,341)	(1,983)	1,458
Internal transfer (note 10)	(463)	463	–	–
Balance (deficiency), end of year	$ (26,924)	$ 13,478	$ (13,446)	$ (11,463)

See accompanying notes to financial statements.

THE ST. LAWRENCE PARKS COMMISSION

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023
(In thousands of dollars)

	2024	2023
Cash provided by (used for):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ (1,983)	$ 1,458
Items not involving cash:		
Amortization of tangible capital assets	3,231	3,477
Amortization of deferred contributions – tangible capital assets	(6,001)	(5,483)
Increase in asset retirement obligation (note 6)	1,119	1,177
Change in non-cash operating working capital:		
Due from the Province of Ontario	(4,684)	4,075
Accounts receivable	418	(155)
Inventories	(51)	(44)
Prepaid expenses	193	(157)
Accounts payable and accrued liabilities	1,386	1,686
Bill 124 – Wage re-opener	1,029	–
Deferred contributions	4,607	(6,122)
Severance and future employee benefits	(1)	(105)
Settlement of asset retirement obligation (note 6)	–	(172)
	(737)	(365)
Capital activities:		
Acquisition of tangible capital assets	(7,151)	(9,616)
Receipt of deferred contributions – tangible capital assets	7,712	10,504
	561	888
Investing activities:		
Purchase of long-term investments	(2,000)	–
Increase (decrease) in cash and short-term investments	(2,176)	523
Cash and short-term investments, beginning of year	14,814	14,291
Cash and short-term investments, end of year	$ 12,638	$ 14,814

See accompanying notes to financial statements.

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, operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. 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.

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Entrance fees, camping, golf course, concession and site, sponsorships, 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 comprised of interest income and is recorded on the transaction date and resulting revenue are recognized using the accrual method of accounting.

(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. Tangible 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.

Purchased 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
Land 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

When a capital asset no longer contributes to the Commission's ability to provide services, its carrying amount is written down to its residual value. Any gains or losses on disposal are charged to Statement of Operations in the year of disposition.

Projects in progress are recorded as construction in progress until the project is complete. When complete, the costs are transferred to the appropriate capital asset category and amortization commences.

2. Significant accounting policies (continued):

(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.

(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.

2. Significant accounting policies (continued):

(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.

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. Items subject to such estimates and assumptions include asset retirement obligations. Actual results could differ from those estimates.

2. Significant accounting policies (continued):

(k) Asset Retirement Obligations:

The Commission recognizes the fair value of an Asset Retirement Obligation (“ARO”) when all the following criteria have been met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and,
- A reasonable estimate of the amount can be made.

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liability are recognized in the Statement of Operations at the time of remediation.

3. Change in accounting standards:

The Commission adopted the following accounting standards applicable for fiscal years beginning April 1, 2023:

- PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.
- PS 3160 *Public Private Partnerships* (P3s) provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

There was no impact on the financial statements of the Commission as a result of the adoption of these standards.

(In thousands of dollars)

4. 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, 2024 is $ 447 (2023 - $424). 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, 2024 and 2023. There were also no transfers in or out of Level 3.

5. Tangible capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Buildings and other structures	$ 21,284	$ 8,234	$ 13,050	$ 13,680
Land improvements	18,037	7,454	10,583	9,557
Exhibits	7,414	7,247	167	217
Machinery, equipment and tools	5,679	4,835	844	843
Vehicles	6,720	5,942	778	953
Computer systems and licenses	3,805	3,489	316	284
Office furniture and equipment	1,996	1,833	163	145
Structures	16,038	9,259	6,779	6,821
Construction in progress	9,474	–	9,474	5,735
	$ 90,447	$ 48,293	$ 42,154	$ 38,235

Cost and accumulated amortization at March 31, 2023 amounted to $83,296 and $45,061, respectively.

6. Asset retirement obligation:

The Commissions' asset retirement obligations relate to the legally required removal or remediation of septic tanks, septic tile beds, fuel tanks, sewage and wastewater treatment plants, sewage lagoons, landfill, and asbestos containing materials in certain buildings. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate these assets in accordance with current legislation. As remediation plans are not defined at March 31, the full amount of the obligation is included as a long-term liability.

(In thousands of dollars)

6. Asset retirement obligation (continued):

The change in the estimated obligation during the year consists of the following:

		2024		2023
Balance, beginning of year	$	28,581	$	27,576
Add: adjustment for inflation during the year		1,119		–
Add: obligations added during the year		–		1,177
Less: obligations settled during the year		–		(172)
Balance, end of year	$	29,700	$	28,581

7. Deferred contributions:

		2024		2023
Prepaid admissions and camping	$	3,155	$	2,873
Ministry of Tourism, Culture and Sport, unspent funds		6,547		2,142
Kingston Penitentiary Tours destination marketing		120		281
Canadian Horse Statue fund		182		101
Brown's Bay Donation		9		9
	$	10,013	$	5,406

(In thousands of dollars)

8. Deferred contributions - tangible capital assets:

	2024	2023
Ministry of Tourism, Culture and Sport - funding for refurbishment:		
Balance, beginning of year	$ 20,168	$ 14,336
Contribution received in current year	7,712	10,333
Amortization	(5,282)	(4,501)
Balance, end of year	22,598	20,168
Ministry of Tourism, Culture and Sport - funding for revitalization:		
Balance, beginning of year	10,385	11,158
Amortization	(507)	(773)
Balance, end of year	9,878	10,385
Ministry of Tourism, Culture and Sport - infrastructure stimulus funding:		
Balance, beginning of year	2,403	2,581
Amortization	(178)	(178)
Balance, end of year	2,225	2,403
Celebrate Ontario:		
Balance, beginning of year	–	4
Amortization	–	(4)
Balance, end of year	–	–
Bike Infrastructure Program:		
Balance, beginning of year	6	16
Amortization	(1)	(10)
Balance, end of year	5	6
Canadian First World War Internment Recognition Fund:		
Balance, beginning of year	154	–
Contribution received in current year	–	171
Amortization	(35)	(17)
Balance, end of year	119	154
	$ 34,825	$ 33,116

(In thousands of dollars)

9. 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.

	2024	2023
Severance accrual	$ 284	$ 285

10. Internally restricted net assets:

A portion of net assets has been internally restricted by the Board of Commissioners to fund future capital expenditures. In the current year, the Board of Commissioners approved a deficiency of revenues over expenses of $1,341 (2023 - $979) from these restricted net assets.

The Board of Commissioners has approved the transfer of $463 (2023 - $2,300) 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.

11. Gross profit from retail operations:

Retail gross profit is comprised of:

	2024	2023
Sales from retail operations	$ 2,198	$ 1,987
Cost of goods sold	(1,200)	(1,037)
Gross profit from retail operations	$ 998	$ 950

12. 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 accounts payable and accrued liabilities is $253 (2023 - $257) due to the Ministry of Finance in connection with payroll expenses.

12. Transactions with the Province (continued):

During the year, the Commission paid a total of $16,716 (2023 - $14,720) in gross payroll expenses to the Ministry of Finance.

Included in Services expenses is $89 (2023 - $75) 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 (2023 - $27) to the Ministry of Finance for general liability insurance.

During the year, the Commission recognized funding totaling $13,369 (2023 - $12,673) from the Ministry of Tourism, Culture and Sport, which is included in Provincial transfer - operating grant and funding recognized as deferred capital contributions.

13. Pension plan:

The Commission's contribution to the PSP Plan and the OPSEU Pension Trust for the year ended March 31, 2024 was $731 (2023 - $655) and is included in salaries, wages and benefits on the Statement of Operations.

14. Remuneration of members:

Total remuneration of members of the Commission was $18 (2023 - $12) and is included in salaries, wages and benefits on the Statement of Operations.

15. Commitments:

The Commission has entered into long-term lease agreements expiring on various dates between April 2024 and January 2028. Under the terms of these agreements, the minimum annual lease payment for the next year, 2025-26, and 2026-27, is $12 per annum, and in 2027-28 it is $9.

16. 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.

16. Risk management (continued):

(a) Credit risk (continued):

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, 2024 is $28 (2023 - $Nil).

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

(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 typically exposed to market through its long-term investments. However, the current investment portfolio is Principal Protected.

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 2023.

17. Contingencies – Bill 124 Impact:

Effective November 7, 2019, the enactment of Bill 124, known as the *Protecting a Sustainable Public Sector for Future Generations Act, 2019*, imposed a cap on total compensation increases within the Ontario Public Service, restricting them to a maximum of 1% per annum over a span of three years. Subsequently, on November 29, 2022, following a successful appeal to the Ontario Supreme Court of Justice citing the Charter of Rights, this Act was annulled.

In light of the Act's repeal, management has conducted a thorough evaluation of each collective agreement and the adjustments to the non-union wage structure. Accruals have been recorded to reflect management's best estimate of potential retroactive adjustments. These estimated amounts have been accounted for in the Statement of Operations under the 'Salaries, wages, and benefits' category, with no corresponding revenue to offset the accrued sums.