

Financial Statements of

**THE ST. LAWRENCE PARKS  
COMMISSION**

And Independent Auditor's Report thereon

Year ended March 31, 2021



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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, 2021
- 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, 2021, and its results of operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Qualified Opinion***

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

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

- the total assets reported in the statements of financial position as at March 31, 2021 and March 31, 2020
- 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, 2021 and March 31, 2020
- 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, 2021 and March 31, 2020
- the excess of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2021 and March 31, 2020



Our opinion on the financial statements for the year ended and March 31, 2020 was qualified accordingly because of the possible effects of this departure from the Canadian public sector accounting standards.

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

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

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

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

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

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

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

### ***Auditors’ Responsibilities for the Audit of the Financial Statements***

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

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

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

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



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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 handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 24, 2021

# THE ST. LAWRENCE PARKS COMMISSION

Financial Statements

Year ended March 31, 2021

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# THE ST. LAWRENCE PARKS COMMISSION

## Statement of Financial Position

March 31, 2021, with comparative information for 2020  
(In thousands of dollars)

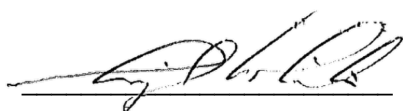
	2021	2020
<b>Assets</b>		
Current assets:		
Cash and short-term investments	\$ 11,046	\$ 10,363
Due from the Province of Ontario	6,163	5,138
Accounts receivable	101	44
Inventories	419	446
Prepaid expenses	89	61
	<u>17,818</u>	<u>16,052</u>
Tangible capital assets (note 3)	32,872	35,425
Deferred land costs (note 6)	41	41
	<u>\$ 50,731</u>	<u>\$ 51,518</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,124	\$ 1,449
Deferred contributions (note 4)	8,602	6,366
	<u>9,726</u>	<u>7,815</u>
Deferred contributions - tangible capital assets (note 5)	28,667	30,467
Due to the Province of Ontario (note 6)	300	300
Severance and future employee benefits (note 7)	711	1,113
Net assets:		
Unrestricted	1,245	3,558
Internally restricted (note 8)	10,082	8,265
	<u>11,327</u>	<u>11,823</u>
Commitments (note 13)		
	<u>\$ 50,731</u>	<u>\$ 51,518</u>

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, 2021, with comparative information for 2020  
(In thousands of dollars)

	Unrestricted	Internally restricted (note 8)	Total 2021	Total 2020
<b>Revenue:</b>				
Provincial transfer – operating grant	\$ 7,248	\$ 9	\$ 7,257	\$ 7,787
Entrance receipts	1,619	–	1,619	7,742
Camping	2,477	–	2,477	4,157
Gross profit from retail operations (note 9)	200	–	200	771
Golf course	560	–	560	482
Concession and site	135	–	135	489
Sponsorships	26	–	26	88
Marina docking and storage	352	–	352	443
Investment income	98	–	98	190
Miscellaneous	52	–	52	143
	12,767	9	12,776	22,292
<b>Expenses:</b>				
Salaries, wages and benefits (note 11)	9,841	1	9,842	14,394
Services	1,753	52	1,805	3,568
Supplies and equipment	691	1	692	1,103
Transportation and communication	157	–	157	185
Amortization of tangible capital assets	17	744	761	811
Program distribution to United Way				
KFL&A	–	–	–	709
Miscellaneous	15	–	15	13
	12,474	798	13,272	20,783
<b>Other government items:</b>				
Amortization of deferred capital funding	5,813	–	5,813	5,337
Amortization of tangible capital assets	(3,631)	–	(3,631)	(3,629)
Refurbishment expenses	(2,182)	–	(2,182)	(1,708)
	–	–	–	–
<b>Excess (deficiency) of revenue over expenses</b>				
	\$ 293	\$ (789)	\$ (496)	\$ 1,509

See accompanying notes to financial statements.

# THE ST. LAWRENCE PARKS COMMISSION

## Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020  
(In thousands of dollars)

	Unrestricted	Internally restricted (note 8)	Total 2021	Total 2020
Balance, beginning of year	\$ 3,558	\$ 8,265	\$ 11,823	\$ 10,314
Excess (deficiency) of revenue over expenses	293	(789)	(496)	1,509
Internal transfer (note 8)	(2,606)	2,606	–	–
<b>Balance, end of year</b>	<b>\$ 1,245</b>	<b>\$ 10,082</b>	<b>\$ 11,327</b>	<b>\$ 11,823</b>

See accompanying notes to financial statements.



# THE ST. LAWRENCE PARKS COMMISSION

## Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020  
(In thousands of dollars)

	2021	2020
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenses	\$ (496)	\$ 1,509
Items not involving cash:		
Amortization of tangible capital assets	4,392	4,440
Amortization of deferred capital contributions	(5,822)	(5,345)
Change in non-cash operating working capital:		
Due from the Province of Ontario	(1,025)	(5,082)
Accounts receivable	(57)	471
Inventories	27	–
Prepaid expenses	(28)	53
Accounts payable and accrued liabilities	(325)	(2,653)
Deferred contributions	2,236	4,090
Severance and future employee benefits	(402)	132
	<u>(1,500)</u>	<u>(2,385)</u>
Financing activities:		
Deferred capital contributions	4,022	2,494
Capital activities:		
Acquisition of tangible capital assets	(1,839)	(1,203)
Increase (decrease) in cash and short-term investments	683	(1,094)
Cash and short-term investments, beginning of year	10,363	11,457
Cash and short-term investments, end of year	<u>\$ 11,046</u>	<u>\$ 10,363</u>

See accompanying notes to financial statements.

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements

Year ended March 31, 2021  
(In thousands of dollars)

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## 1. Governing statutes:

The St. Lawrence Parks Commission (the "Commission"), a Provincial Corporation without share capital and Crown Agency, is subject to and governed by an Ontario Statute, the St. Lawrence Parks Commission Act. The Commission operates several parks, historical sites and other facilities situated on Crown lands in Eastern Ontario, including Upper Canada Village and Fort Henry, intended to provide tourism and recreation opportunities to both residents of, and visitors to the Province 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 rentals, sponsorship, and marina docking and storage revenues, are recognized in accordance with the agreement between the parties, when services have been rendered, fees are fixed or determinable and collection is reasonably assured. Fees received for services performed after the end of the fiscal year of the Commission are recorded as deferred revenue.

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

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2021  
(In thousands of dollars)

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## 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, 2021  
(In thousands of dollars)

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## 2. Significant accounting policies (continued):

(f) Severance accrual:

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

(g) Workplace Safety and Insurance Board:

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

(h) Pension plan:

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

(i) Financial instruments:

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

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2021  
(In thousands of dollars)

## 2. Significant accounting policies (continued):

### (i) Financial instruments (continued):

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

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

### (j) Use of estimates:

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

## 3. Tangible capital assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Buildings and other structures	\$ 21,203	\$ 5,959	\$ 15,244	\$ 15,079
Landhold improvements	13,894	5,146	8,748	9,374
Exhibits	7,139	6,434	705	1,433
Machinery, equipment and tools	4,829	3,798	1,031	1,195
Vehicles	5,787	4,486	1,301	1,432
Computer systems and licenses	3,420	3,074	346	447
Office furniture and equipment	1,855	1,704	151	200
Structures	12,272	6,977	5,295	6,083
Construction in progress	51	—	51	182
	<u>\$ 70,450</u>	<u>\$ 37,578</u>	<u>\$ 32,872</u>	<u>\$ 35,425</u>

Cost and accumulated amortization at March 31, 2020 amounted to \$68,611 and \$33,186, respectively.

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2021  
(In thousands of dollars)

## 4. Deferred contributions:

	2021	2020
Prepaid admissions and camping	\$ 3,051	\$ 1,579
Ministry of Tourism, Culture and Sport, unspent funds	4,945	4,150
Kingston Penitentiary Tours destination marketing	606	637
	<u>\$ 8,602</u>	<u>\$ 6,366</u>

## 5. Deferred contributions - tangible capital assets:

	2021	2020
Ministry of Tourism, Culture and Sport - funding for refurbishment:		
Balance, beginning of year	\$ 13,976	\$ 15,332
Contribution received in current year	4,022	2,494
Amortization	(4,327)	(3,850)
Balance, end of year	<u>13,671</u>	<u>13,976</u>
Ministry of Tourism, Culture and Sport - funding for revitalization:		
Balance, beginning of year	13,476	14,764
Amortization	(1,288)	(1,288)
Balance, end of year	<u>12,188</u>	<u>13,476</u>
Ministry of Tourism, Culture and Sport - infrastructure stimulus funding:		
Balance, beginning of year	2,937	3,115
Amortization	(178)	(178)
Balance, end of year	<u>2,759</u>	<u>2,937</u>
Celebrate Ontario:		
Balance, beginning of year	22	31
Amortization	(9)	(9)
Balance, end of year	<u>13</u>	<u>22</u>
Bike infrastructure program:		
Balance, beginning of year	56	76
Amortization	(20)	(20)
Balance, end of year	<u>36</u>	<u>56</u>
	<u>\$ 28,667</u>	<u>\$ 30,467</u>

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2021  
(In thousands of dollars)

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## 6. Due to Province:

On February 6, 2013, the Commission received one-time funding to support a land sales initiative program being currently undertaken with Ontario Infrastructure and Lands Corporation. This funding was provided on an interest free basis, and on the understanding that it will be repaid upon completion of the sale(s). There were no costs incurred during the fiscal year (2020 - \$Nil) relating to the land sales initiative. Costs incurred in the 2014 fiscal year amounted to \$41 and have been capitalized as deferred land costs, which will be recognized in operations against related proceeds on sale.

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

As part of the government's comprehensive plan to address its fiscal challenges, the Cabinet has approved a time-limited Transition Exit Initiative Expansion and a new Voluntary Exit Program within the OPS. The aim of this initiative is to manage the Ontario Public Sector compensation costs in a way that ensures vital services to citizens are not compromised while avoiding involuntary job losses. Since 2013, the Transition Exit Initiative (TEI) has been available for regular and regular part-time OPS employees who are represented by OPSEU, AMAPCEO, PEGO, ALOC and the OCAA. Effective January 1, 2019, the TEI program was temporarily expanded to regular and regular part-time employees in the following employee groups: Crown Counsel Excluded, Excluded Category Correctional (COR Excluded), Excluded Category Unified (UN Excluded), Management Compensation Plan, and Individual Contributor. The Commission has fully paid out the 2019-20 accrued obligation owing to eligible employees who have entered these programs and recognizes the offsetting revenue as the program is fully funded by government as the costs are incurred.

	2021	2020
Severance accrual	\$ 422	\$ 529
WSIB benefit accrual	289	389
Transition Exit Initiative and Voluntary Exit Program	–	195
	\$ 711	\$ 1,113

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2021  
(In thousands of dollars)

## 8. Internally restricted net assets:

A portion of net assets has been internally restricted by the Board of Commissioners to fund future capital expenditures. In the current year, the Board of Commissioners approved a deficiency of revenues over expenses of \$789 (2020 - \$789) from these restricted net assets.

The Board of Commissioners has approved the transfer of \$2,606 (2020 - \$2,298) to the Commission's Internally Restricted Reserve fund, for investment in programs and projects that will best contribute to the financial sustainability of future and ongoing operations.

## 9. Gross profit from retail operations:

Retail gross profit is comprised of:

	2021	2020
Sales from retail operations	\$ 495	\$ 1,797
Cost of goods sold	(295)	(1,026)
Gross profit from retail operations	\$ 200	\$ 771

## 10. Transactions with the Province:

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

Included in trade payables and accrued liabilities is \$169 (2020 - \$407) due to the Ministry of Finance in connection with payroll expenses and \$Nil (2020 - \$Nil) due to the Ministry of Finance in connection with unspent capital funding.

During the year, the Commission paid a total of \$10,434 (2020 - \$14,504) in gross payroll expenses to the Ministry of Finance.

Included in Services expenditures is \$84 (2020 - \$96) paid to the Ministry of Finance for various services including advertising, pay stub printing, telephone chargebacks, legal services, environmental assessments, and licenses and \$Nil (2020 - \$Nil) paid to the Ontario Provincial Police for security services.



# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2021  
(In thousands of dollars)

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## 10. Transactions with the Province (continued):

During the year, the Commission paid \$27 (2020 - \$42) to the Ministry of Finance for general liability insurance.

During the year, the Commission recognized funding totaling \$13,070 (2020 - \$13,115) from the Ministry of Tourism, Culture and Sport, which is included in Provincial government funding and includes funding recognized as deferred capital contributions.

## 11. Pension plan:

The Commission's contribution to the PSP Plan and the OPSEU Pension Trust for the year ended March 31, 2021 was \$579 (2020 - \$650) and is included in salaries, wages and benefits on the Commission's statement of operations.

## 12. Remuneration of members:

Total remuneration of members of the Commission was \$18 (2020 - \$10).

## 13. Commitments:

(a) The Commission has entered into long-term lease agreements expiring on various dates between April 2021 and February 2024. Under the terms of these agreements, the minimum annual lease payments for the next three years are as follows:

2022	\$	14
2023		14
2024		9
		<hr/>
	\$	37

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2021  
(In thousands of dollars)

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## 14. Risk management:

### (a) Credit risk:

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

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

The trade accounts receivable balances are managed and analyzed on an ongoing basis with a large amount due from the Province where the collection risk is low. Accordingly, the Commission's exposure to doubtful accounts is not significant. The balance in the allowance for doubtful accounts at March 31, 2021 is \$23 (2020 - \$42).

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.

There has been no change to the risk exposures from 2020.

## 15. Impact of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of approval of these financial statements, the Commission has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Temporary closures of facilities within which the Commission operates from March 14, 2020, with limited reopening in late May for the Golf Course and Marina, late June for a portion of the campgrounds, and July for Historic Sites based on public health recommendations
- Implemented temporary layoffs of certain employees

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2021  
(In thousands of dollars)

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## 15. Impact of COVID-19 (continued):

- Mandatory working from home requirements for those able to do so
- Continuous re-evaluation of the team's work assignments
- Experienced decreases in revenue from Entrance receipts, Retail, Camping, Golf Course, Concession and site rentals, Sponsorships, Marina and docking, and Investment income
- Cost containment of non-payroll related expenses given the temporary closures of facilities

At this time there remains uncertainty over future cash flows which 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.

## 16. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted per the current year.