



Parks of the  
St. Lawrence

# 2016-2017 ANNUAL REPORT





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## Message from the Chair

2016/17 was an exciting year at the St. Lawrence Parks Commission (SLPC). Kingston Penitentiary Tours was sold out throughout the season bringing tourists to Eastern Ontario from across the country and around the world. This new opportunity, in cooperation with the City of Kingston and Correctional Service Canada, generated increased tourism, increased employment, and a major windfall for the United Way of Kingston, Frontenac, Lennox and Addington.

Another totally new initiative opened in the summer of 2016. Skywood Eco Adventure, a collection of zip lines and exciting tree-top adventures for all ages, created employment, excitement, and economic spin-offs for communities along the Thousand Islands Parkway. Combined with the very popular bicycle path along the length of the Thousand Islands Parkway, and the campsites and day-use parks, we now have an enhanced tourism experience for people to enjoy.

We have a very creative and hard-working staff who always seeks new opportunities to provide a range of unique historic and cultural tourism experiences from Fort Henry and Kingston Penitentiary Tours in Kingston to Upper Canada Village in Morrisburg. Add to that our campsites, golf course, marina and bird sanctuary and you know visitors have a great time at the Parks of the St. Lawrence.

We have extended our tourist season by introducing, and constantly renewing, very imaginative attractions at both Upper Canada Village and Fort Henry. Pumpkinferno and Alight at Night extend our season, employment, and economic spin-offs in the Morrisburg area, while Fort Fright and Lumina Borealis do likewise in the Kingston area. Tourism is alive and well in Eastern Ontario.

Our board is grateful for the work and dedication of the SLPC leadership team and employees throughout the Parks of the St. Lawrence. We have worked together to meet and exceed our business goals and revenue targets. We appreciate the support of the Ministry of Tourism, Culture and Sport. Highlights of the activities of the SLPC are provided in the body of our annual report.

Sincerely,

**Ian Wilson, Chair**

*St. Lawrence Parks Commission*





## Message from the Interim CEO

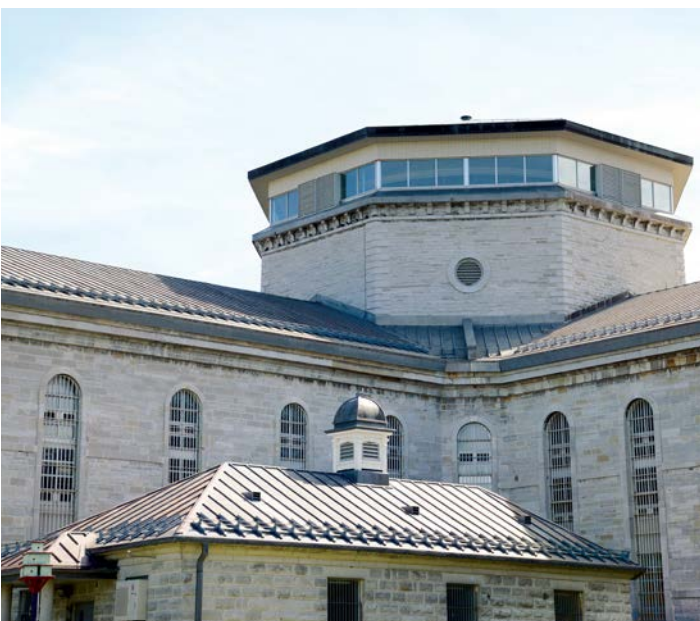
A year of launching new tourism experiences along the St. Lawrence River corridor best describes business at the SLPC during the 2016/17 fiscal year. The SLPC reported total revenue of \$13 million for fiscal year 2016/17, an increase of almost 36% (\$3.441 million) over the prior year and net performance of \$3.152 million.

With the Ministry of Tourism, Culture and Sport's commitment to tourism in Eastern Ontario, the SLPC was able to develop meaningful new partnerships, deliver tours at Kingston Penitentiary and introduce exciting new experiences, including Skywood Eco Adventure and the innovative new winter event Lumina Borealis at Fort Henry. The SLPC also built the Robin's Roost Tree House to offer an upscale and unique accommodation option to take advantage of the growing interest in the glamping trend. Alongside these new investments, the SLPC continued to revitalize its existing assets, adding capacity in the campgrounds and developing innovative new programs such as Accessible History weekend at Upper Canada Village.

The SLPC is a widespread organization with facilities and attractions stretching over 200 kilometres along the St. Lawrence River. The diversity of its offerings presents a tremendous opportunity but also brings the challenges and cost of managing and maintaining a broad-based operation.

The SLPC was successful in negotiating the transfer of the Upper Canada Road near Morrisburg to the United Counties of Stormont, Dundas and Glengarry. The United Counties are now responsible for the ongoing maintenance and snow removal of this road. This transfer will relieve the financial and staff burden for maintenance responsibilities.

Formed in 1955, the SLPC is well past the half century mark. Many of the buildings, infrastructure and green spaces require modernization, as well as refreshing and ongoing infrastructure maintenance so that the SLPC can continue to deliver high quality tourism amenities to visitors. In order to remain competitive in the marketplace and act as a draw to bring visitors to the region, the SLPC must consistently invest in special events, develop new programs, services and experiences that will appeal to the marketplace. The SLPC develops new products with investment from its Internal Restricted Reserve.





In February 2017, the SLPC began the implementation of its Forest Management Plan for the campgrounds. This plan, a comprehensive review of its trees in public areas of the campgrounds, was developed by the South Nation Conservation Authority following the failure of seemingly healthy trees. The implementation of the plan meant the removal of trees and/or limb trimming of those that presented a danger in public areas. The forests, many of which were planted during the late 1950s, also have a life span, some of 50 to 60 years. As the SLPC campgrounds are known for their mature trees and shade offered to campers, a replanting program will be vital.


Staff and visitor safety remained paramount as evidenced by significant decreases (52%) in the number of incidents. Supervisors continue to be proactive in their approach to health and safety ensuring staff receive training, perform root cause analyses and improve hazard awareness to ensure preventative measures are implemented, stopping accidents before they occur.

Lean Kaizen initiatives across SLPC focused on revenue growth, cost avoidance and safety. Numerous automation initiatives continue in budget, payroll and recruiting. These will reduce the amount of paper used, processing times and bank service fees. Additional initiatives include reduction in greenhouse heating fuel and the procurement of electric vehicles. Electricity retrofits will generate approximately \$30,000 in savings on an annual basis.

In 2016/17, the SLPC employed 456 Ontarians and, through its financial investment in Southeastern Ontario, generated a \$167.8 million economic impact based on the MTCS Tourism Regional Economic Impact Model (TREIM).

The SLPC manages some of Ontario's most iconic historic sites and provides Ontarians and visitors to the province with some of our most beautiful outdoor landscapes and recreational facilities to enjoy. In 2016/17, our sites saw activity (e.g visitors, camper nights) of more than 2.29 million, an increase of 8% over the prior year.

To the staff of the SLPC, thank you for your continued commitment and enthusiasm in delivering memorable tourism experiences. To the Ministry of Tourism, Culture and Sport, thank you for your ongoing support and guidance.

Sincerely, 

**Ronald Holgerson, Interim General Manager & CEO**

*St. Lawrence Parks Commission*





# CORPORATE OVERVIEW





# CORPORATE OVERVIEW

## OUR MANDATE

The SLPC was established in 1955 and is a Board-governed agency of the Government of Ontario. Its mandate is to provide tourism, cultural, educational and recreational opportunities for residents of Ontario and visitors to the province through the presentation and interpretation of historic attractions, and the development and operation of parks, campgrounds, scenic parkways and recreational areas. The SLPC supports the Ministry of Tourism, Culture and Sport's efforts to strengthen Ontario's tourism industry. As a key economic driver in Eastern Ontario, the SLPC will focus efforts on new product development and program enhancements that will draw new and returning customers to the region.

## OUR MISSION

The purpose of the SLPC is to generate lasting visitor growth, drive economic prosperity, and build community partnerships in Eastern Ontario. The SPLC is a revenue-generating tourism business offering customer-focused, entertaining and educational experiences that maximize its natural, leisure and heritage assets.

## LEGISLATIVE AUTHORITY

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



## 2016/17 ST. LAWRENCE PARKS COMMISSION BOARD OF COMMISSIONERS

### Chair:

Ian Wilson  
Kingston  
April 18, 2012 – April 17, 2018  
2016/17 Remuneration: \$2,300

### Vice-Chair:

Linda Ann Daly  
Kingston  
April 24, 2013 – August 3, 2019  
2016/17 Remuneration: \$600

### Commissioners:

Carmen Cousineau  
Cornwall  
March 23, 2011 – March 22, 2017  
2016/17 Remuneration: \$750

Margaret Fancy  
Mallorytown  
October 23, 2013 – November 22, 2019  
2016/17 Remuneration: \$825

John E. Fischl  
Brockville  
September 15, 2010 – October 25, 2017  
2016/17 Remuneration: \$825

James Garrah  
Gananoque  
October 30, 2013 – October 29, 2019  
2016/17 Remuneration: \$825

## SENIOR LEADERSHIP TEAM 2016/17

Ronald Holgerson  
Interim CEO (February 24, 2017)

Darren Dalglish  
General Manager & CEO

Mia Robertson  
Administrative Assistant to the CEO

Bryan Mercer (Retired August 2016)  
Director, Marketing

Steph Brown  
Director, Marketing & Customer Experience

Krista Doyle  
Acting, Director Marketing & Customer Experience

Al Adibi  
Manager, Finance and Human Resources

Shannon Moulton  
Human Resources Coordinator

Geoff Waycik  
Manager, Historical Attractions

Dawn Ellis-Thornton  
Acting Manager, Fort Henry National Historic Site of Canada

Tracey Ogilby  
Acting Manager, Upper Canada Village

Lou Seiler (Retired November 2016)  
Manager, Parks and Recreational Facilities

Jennifer Tarini  
Manager, Parks and Recreational Facilities



# BUSINESS UNITS

## UPPER CANADA VILLAGE

Upper Canada Village is a living history museum and portrays life in Upper Canada in 1866, the eve of Confederation. In 2016/17, the Village continued to develop innovative programming that reaches out to diverse visitor groups. On Sunday mornings in July and August, the Village hosted Autism Spectrum Disorder (ASD) Sensory Friendly programming. These mornings allow for sensory accommodations, include schedule and itinerary suggestions for visitors and provide quiet spaces, hands-on opportunities and gentle social interactions with Village staff.

In July, an Accessible History weekend provided visitors with an opportunity to explore Upper Canada Village in a multisensory way through the use of tactile diagrams, touch tours, sign language tours and other demonstrations that are offered to cater to diverse visitor needs. The very essence of Upper Canada Village as a fully operational, living history museum ideally lends itself to these types of experiences.

The ever popular youth camp Time Travellers reported a sell-out of all 270 spaces for the week-long, overnight summer camp offered during July and August for children 9-14 years of age. Shoulder season events Pumpkinferno and Alight at Night continued to prove popular. Pumpkinferno set a one-night attendance record of 6,300 visitors and hosted over 39,660 guests over the event's 20 evenings of operation. Winter lights festival Alight at Night showed no signs of slowing down with more than 38,400 visitors in its 16th season. Combined, these events draw over 78,000 visitors and are significant tourism draws during what once was considered to be the off-season. Experience renewal is essential to keep these events relevant and fresh. A \$97,750 Celebrate Ontario grant for Pumpkinferno was used for renewable energy related exhibits and marketing.

Upper Canada Village continues to be popular with international visitors (11.3%) and Quebec (13.3%). Ontario represents over 65% of total visitation.







## FORT HENRY NATIONAL HISTORIC SITE OF CANADA

Fort Henry National Historic Site of Canada is proud to have the distinction of being part (with the Rideau Canal) of Ontario's only UNESCO World Heritage Site and one of just 18 designated sites in all of Canada. Fort Henry reported a number of programming successes in 2016. Its iconic summer line-up of World Heritage Sunset Ceremonies performed on Wednesday evenings in July and August reported an increase in visitation of 6% (300) over 2015. Functions in the Great Hall, including weddings and corporate events, saw growth of 7% (7 events).

Fort Henry rebranded and recharged its YGK Craft Beer Fest by stepping up the visitor experience to offer more entertainment, a family friendly atmosphere and a broader selection of craft brews, cider and food options. Despite inclement weather, the changes were well received by visitors and will be built upon for future events. The Cannonball Crush 5-kilometre obstacle race also continued to grow in popularity with an increase of 17% (41 people) in registrations for participants wishing to challenge Fort Henry hill.

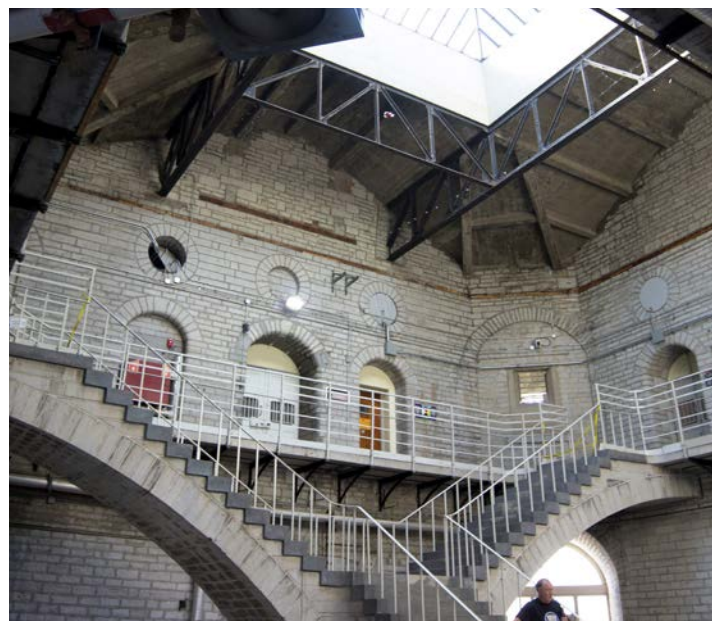
One of the most exciting developments at Fort Henry in 2016 was the creation of Lumina Borealis. Launched in December, Lumina Borealis is one of Canada's most unique winter events. Inspired by the charm of holiday movies *It's a Wonderful Life* and *Frozen*, it is an immersive and interactive night-time walk where visitors share an engaging and magical multimedia experience played out in the outdoor setting of the fortress of Fort Henry. Lumina Borealis hosted more than 57,000 visitors from December to March Break and generated over \$795,000 in new revenues. Through this event, the SLPC strengthened community partnerships with the City of Kingston, Tourism Kingston and Kingston Accommodation Partners and others. Not only did Kingston take on the colours of Lumina Borealis with lighting on the LaSalle Causeway Bridge and at City Hall, but through Kingston Transit it provided free transportation to the event on city buses with the presentation of a Lumina Borealis ticket. Through Kingston Accommodation Partners, this new winter event was actively promoted and sold through the accommodation sector to visitors to Kingston. Many other community partners provided support and enthusiasm in helping to launch this creative new event.





## KINGSTON PENITENTIARY TOURS

The SLPC was part of an innovative new partnership between three levels of government for the operation of tourism tours at Kingston Penitentiary. This partnership between the SLPC, the City of Kingston and the federal government through Correctional Service Canada proved to be very successful hosting almost 60,000 visitors from around the world for tours from mid June through October. The tours were wildly successful with tickets quickly selling out and garnering widespread media attention. Overnight business saw increased volume and the tours provided a compelling new reason to visit Kingston. Tours proved to be popular with the Greater Toronto Area market drawing 20% of visitors during the summer and 23.7% of visits during the fall. The SLPC hired over 20 students along with retired Correctional Service Canada employees as tour guides. The net proceeds from Kingston Penitentiary Tours were equally split between the United Way of Kingston, Frontenac, Lennox and Addington to support youth programs and tourism and destination marketing initiatives for the mutual benefit of the SLPC and Tourism Kingston. It is estimated that this new tourism product generated \$4.5 million in economic impact during its four and a half months of operation.







## PARKS AND BEACHES

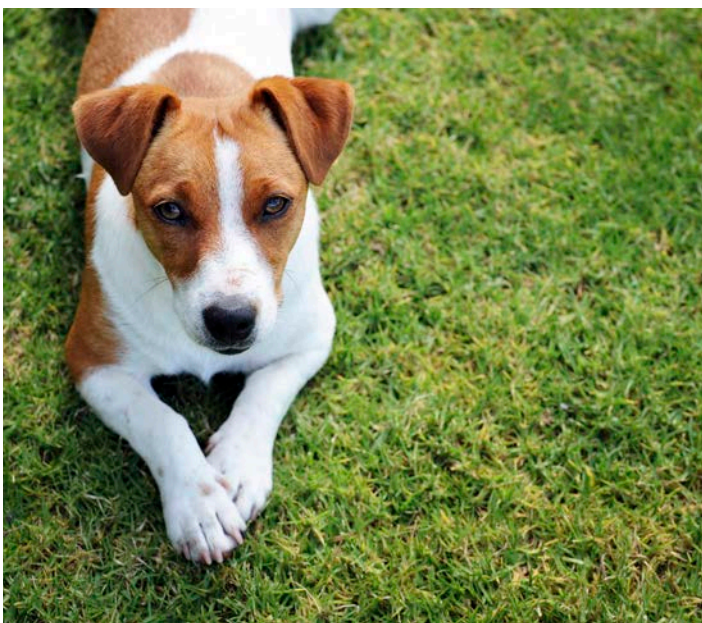
The Parks and Recreation division provides the SLPC with the greatest opportunity to generate net gains for reinvestment in its business activities. Investment in the campgrounds continued in response to customer demand for more serviced sites and roofed accommodation. Upgrades at Farran Park to convert 36 sites to 3-service sites (electric/water/sewer) generated incremental revenue of over \$127,000 and also provides the SLPC with an opportunity to tap into a new segment of the camping market looking for these services.

The new Robin's Roost Tree House was built at the Upper Canada Migratory Bird Sanctuary campground. It provides a very unique and upscale accommodation option for visitors looking to spend time in nature along the shores of the St. Lawrence River. Additional cabins were added at the Sanctuary and Farran Park bringing the total parks cabin inventory to 27.

A major renovation project of the nature trail boardwalks at the Sanctuary also got underway with phase I completed and phase II underway. The Sanctuary is home to over 8 kilometres of nature trails and boardwalks that provide important linkages throughout the trails. The Friends of the Sanctuary's efforts to secure grant funding played an important role in the completion of this key project.

Despite challenges that the extremely hot and dry summer created for some operations, the Parks and Beaches business unit thrived and reported \$1.801 million in net return. The beaches reported a 20% increase in activity over 2015 in part due to a special weekday beach promotion and the success of a partnered marketing campaign with Ontario Tourism Marketing Partnership Corporation (OTMPC) into the Quebec market for the third consecutive year. The SLPC campgrounds and beaches are extremely popular with visitors from Quebec as the Long Sault Parkway and Glengarry Campground are less than an hour's drive from Montreal.

One of the SLPC's largest new projects in 2016 was the revitalization of the former Brown's Bay Campground into Ontario's largest zip line and aerial park, Skywood Eco Adventure. Open in mid-July, Skywood gives visitors to the 1000 Islands the opportunity to climb on aerial courses and experience the thrill of zip lining in the canopy of old-growth forest in the heart of the UNESCO designated Frontenac Arch Biosphere Reserve. Treewalk Village,





an area for younger children, three years of age and older, allows Skywood to offer a full active and outdoor experience for all members of the family. Brown's Bay Campground had been closed for over twenty years and its transformation into Skywood provided the SLPC with the perfect tourism use for this property. In its first partial year of operation, Skywood hosted 10,000 visitors to the park. The total investment was \$987,000 with Skywood generating \$384,000 in revenue in its first season (3.5 months) of operation.

Activity to the campgrounds and beaches grew 16% (24,000) to over 168,000 (camper nights/beach admissions).

## UPPER CANADA GOLF COURSE

The Upper Canada Golf Course celebrated its 50th anniversary in 2016 and despite the extreme summer heat and drought was able to report performance of 13% (2,000 rounds) ahead of 2015. A new membership program targeting youth was well received and Junior Memberships increased from seven in 2015 to 50 in 2016. A 50th anniversary special yielded over \$36,600 in revenue. The development of the youth market as future players is an important objective across the golfing industry. Upper Canada also added more golf boards, which have proven to be popular with a wide demographic of golfer.

A new food and beverage operator was brought on board in time to plan for the 2017 golf season.



## CRYSLER PARK MARINA

The Chrysler Park Marina faced the challenge of dealing with mould issues that affected boats stored inside the new mega storage building. The SLPC provided regular updates to its clients and arranged for professional cleaning of all affected boats. Despite the mould, the indoor storage building operated at full capacity.

A small park area adjacent to the Marina was developed to offer basic camping and two cabins. The cabins proved popular with boaters as 80% of bookings were made by marina clientele.

Activity at the Marina measured in dockage feet showed a 1% (19,000) increase.





# 2016/17 BUSINESS OBJECTIVES

## CORE PRINCIPLES, VALUES AND BELIEFS

- Success must be achieved through excellence in the presentation and promotion of quality attractions and facilities and high quality retail establishments which complement rather than compete with the private sector.
- The SLPC has a vital role to play in the development of tourism in Eastern Ontario, not only through excellence in the presentation and promotion of its attractions and facilities, but also by helping to develop regional programs which are responsive to the demands of the tourism markets.
- Its greatest future strength must be built upon leadership and motivated people, with Commissioners, staff and communities working together.
- The SLPC is committed to responding to the needs of its visitors through service and courtesy.
- The SLPC is dedicated to communicating effectively with visitors, staff, community leaders, associations, private tourism operators and the Ministry of Tourism, Culture and Sport.
- The SLPC believes that the development and implementation of a unique corporate image will heighten public awareness of SLPC as a unified corporate entity with distinct programs and facilities and serve as a cornerstone for marketing and a source of pride for staff.
- The SLPC is committed to responsible and ethical management of its attractions, facilities and services.
- The SLPC is committed to the principles of its corporate vision which will guide corporate planning, the development of new initiatives, assist in setting priorities for existing programs, and set the stage for cooperative activities with the private sector and other stakeholders.

## OBJECTIVES

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





# STRATEGIC DIRECTION MOVING FORWARD

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

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

## Pillar I - Develop a Health, Safety and Environmental Culture

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

## Pillar II - Achieve Operational Excellence

SLPC will continue to improve overall performance by moving from a revenue-focused model to a margin-focused model. Through the aggressive employment of Lean Kaizen, the SLPC will develop and implement sustainable, continuous improvement practices to constantly reduce costs and eliminate waste, and to improve quality and increase flexibility across all SLPC divisions. Continued focus on budget adherence through variance analysis, metrics and accountability will improve overall financial performance. Further, the SLPC will maintain a continuous effort to outpace inflation with cost structure improvements.

## Pillar III - Expand Product and Services Offering “Preserve the Core, Enrich the Product Mix”

The SLPC will focus on increased profitability of major attractions and enrich our product mix while aligning resources with consumer demand. The SLPC will continue to offer existing and potential clients a broad range of competitive products and services and be perceived as industry innovators through exceptional creativity, depth and capacity with a focus on high-yield programming and special events. Reinvestment of operational gains to grow and enhance programs and product mix will contribute to organizational and financial sustainability. The preservation of our Core Heritage sites is paramount and new product will be considerate of heritage impact so as not to dilute our core product.

## Pillar IV - Retain and Develop Our Customer Base

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

## Pillar V - Build a Talented and Committed Workforce

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



# STRATEGIC FOCUS

SLPC will focus on preserving the core products (Upper Canada Village and Fort Henry), while enriching its product mix through events and programs that are non-dilutive to our existing brand or core heritage role and are relevant to current market demands. The organization will continue to grow business in a manner consistent with regional economic benefit while positioning the SLPC brand first in the marketplace. Our tactical focus is to spend time and investments only on value-added initiatives and eliminate waste through Lean Kaizen activities.

## Alive in Five

- The final year of the Alive in Five plan resulted in a \$3.1 million improvement in self-sufficiency in 2016/17
- Move from a revenue-driven business to a margin-driven business through product segmentation, pricing and selective marketing
- Decentralized operations with a 5 Business Unit Model Outpace inflation through cost structure improvement and waste elimination
- Portfolio enrichment – through new products, events, retail product, expansions, services, etc.
- Intense marketing and brand / product awareness
- Stimulate return visitation and cross-attraction visits through the Reciprocal Program
- Review Alive in Five plan in order to establish a new goal to further enhance self-sufficiency

## Continue to challenge and ask the question, “Would the customer be willing to pay for that?”

Spend time and money only on Value Added activities

- Business cases focus on margin, pricing, product maturity
- Develop retail, special events, new products, programming

## Continue focus on Margin Driven business decisions

- Focus on product mix and margin potential
- Add more high net profit opportunities within Business Units

## Deployment of Favourable Margin

- Favourable net return from operations for redeployment to new products only
- Must integrate with one of 5 Business Units (utilize current asset or brand)
- Must not add fixed costs or overhead
- Must provide Variable Contribution Margin of 50% minimum or cost improvements of similar return

## Product Rationalization – Retail Strategy Deployment

- Focus on product mix with highest margin potential
- Optimum utilization of retail space
- Linking retail directly with visitors’ experience
- Strengthen and improve quality of reputable programming and special events

## Organizational Alignment & Development

- Staffing and site operations align with visitation numbers
- Allocate overheads to the business units
- Implementation of a Human Resources Plan (Training & Development Strategy and Succession Planning)
- Continue to offer management development program and Lean Kaizen training

## Pricing Strategy

- Monitor in-market competitive pricing and align SLPC products and pricing with market demand/ tolerance
- Explore increase in regular admission rates at Upper Canada Village and Fort Henry
- Explore adding a parks inflationary increase on seasonal and transient rates
- Highly-successful Reciprocal Program continues, designed to increase volume and profitable product purchases
- Offer sales promotions to sell more products
- Volume of users influences all of the above



## Brand Strengthening

- New or enhanced events aligned with existing core attraction brands (e.g. Pumpkinferno at Upper Canada Village, Sunset Ceremonies at Fort Henry), increasing product awareness
- Buy media that most efficiently reaches target demographics and adds visual impact; more push on Social Media outlets; integrate messages in growing diversity markets (ethnic, LGBT, etc.)
- Business unit marketing plans crafted with direct input from staff, bottom-up requirements
- Reciprocal Program continues, designed to increase volume and profitable product purchases
- Continue signage redesign and replacement in parks (parks, parkways, digital signs, etc.)
- Reinforce 'customer experiences' associated with the key brands: heritage, camping, golfing, sports, recreation and health, boating and events

## Attraction Activity Performance

Attraction	2016/17	2015/16	Increase (Decrease) \$	Increase (Decrease) %
Fort Henry (admissions/rentals)	157	101	55	54%
Upper Canada Village (admissions/rentals)	213	220	(8)	(3%)
Parks (nights/admissions)	168	144	24	16%
Upper Canada Golf Course (rounds/rentals)	18	16	2	13%
Crysler Park Marina (docked/stored linear ft)	1,666	1,647	19	1%
Skywood Eco Adventure Park (admissions)	10	0	10	-
Kingston Penitentiary Tours (admissions)	60	0	60	-
Total	2,290	2,128	163	8%

Note: Above amounts are in thousands

## Staffing Levels

SLPC STAFFING SUMMARY	2015/16	2016/17
Regular Full-time	32	34
Regular Part-Time	15	14
Seasonal (averaging 5-6 months per year)	149	156
Student (averaging 4 months per year)	251	252
<b>TOTAL SLPC STAFFING LEVELS</b>	<b>447</b>	<b>456</b>



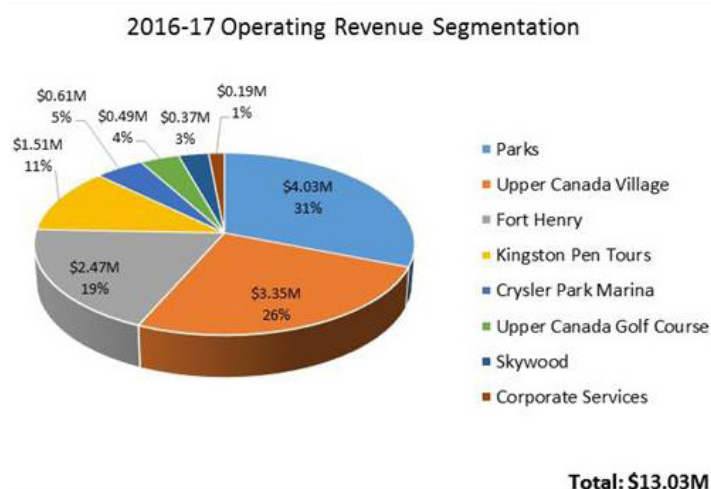
# FINANCIAL PERFORMANCE

## OPERATIONS

In 2016/17, the SLPC generated \$13.026 million in revenue from operations, realizing an improvement of \$3.441 million over 2015/16, from which \$1.511 million of this increase came from Kingston Penitentiary Tours operations.

The SLPC received a provincial government operating grant in the amount of \$7.122 million from the Ministry of Tourism, Culture and Sport. Other funding included Celebrate Ontario grants totalling \$164,162, and the Student Experience Program for \$63,250. The SLPC also received funding from OTMPC's Tourism Industry Partners Program in the amount of \$36,000 and Ontario 150 funding of \$36,187.

The SLPC disbursed \$3.765 million from its internally restricted reserve for strategic priority projects (e.g. Lumina Borealis, Skywood Eco Adventure Park, Pumpkinferno, Camper Cabins, a tree house for overnight lodging, electrical retrofits to reduce costs, and full service campsite expansions). This investment resulted in approximately \$1.586 million of new revenue and 83,726 people participating in new activities. It's important to note that the internally restricted reserve is the SLPC's only option for internal investment to both add new to and expand current products, programs, and events.



## CAPITAL INVESTMENT

The SLPC is steward of 7,000 acres of land over a 200-kilometre stretch from Kingston to the Québec border along the St. Lawrence River corridor. Operations include two historic attractions, 13 parks and campgrounds, two parkways, a long distance recreational trail, a wildlife sanctuary, an aerial park, a golf course, a marina, and gift and retail stores.

For accounting purposes, the SLPC's amortized capital assets, excluding land and roads, are valued at \$41.5 million. The SLPC and the ministry have a process in place to address the upkeep of these extensive capital holdings over time. The age and condition of these assets are tracked via the Ministry of Tourism, Culture and Sport's Asset Management Information System (AMIS). Capital repair projects are then prioritized. Approximately \$13.9 million of repairs are related to top AMIS priorities (currently critical, code compliance requirements, health and safety, and imminent breakdown) and approximately \$32.4 million in repairs are related to other high-priority projects.

In 2016/17, the SLPC received \$6.492 million in capital funding from the ministry, and directed funds to a number of high priority projects. This included projects necessary to comply with legislative and regulatory requirements; projects that were vital to ensuring the safety of staff and visitors to our recreational and heritage sites; and capital work necessary for ongoing operations related to improvements and/or revenue generation.

A sample of completed projects includes septic system repairs and replacement, Fort Henry structural maintenance, washroom upgrades, water system maintenance, road maintenance and repair, forestry rehabilitation, dock repairs, shoreline stabilization, drainage repairs, security infrastructure, structural repairs to heritage buildings, electrical and HVAC (heating, ventilation and air conditioning) upgrades, new capital equipment/machinery, building/equipment maintenance and repairs, improved accessibility, program equipment renewal, and information technology infrastructure related projects.





# FINANCIAL STATEMENTS

For the Year Ended March 31, 2017



**The St. Lawrence Parks Commission**  
**Financial Statements**  
**March 31, 2017**

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# Raymond Chabot Grant Thornton

L'instinct de la croissance <sup>RAC</sup>  
An instinct for growth <sup>TM</sup>

## Independent Auditor's Report

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

**Raymond Chabot Grant Thornton**  
S.E.N.C.R.L./LLP  
2505 St-Laurent  
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We have audited the accompanying financial statements of The St. Lawrence Parks Commission, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

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

### Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



**Basis for qualified opinion**

Note 2 indicates that 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. The effects of these departures on the 2017 and 2016 financial statements have not been determined.

**Qualified opinion**

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The St. Lawrence Parks Commission as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Raymond Chabot Grant Thornton LLP*

Chartered Accountants,  
Licensed Public Accountants

Ottawa, Canada  
June 28, 2017

# The St. Lawrence Parks Commission

## Financial Position

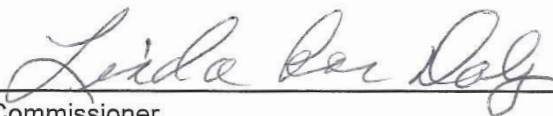
March 31, 2017  
(In thousands of dollars)

	2017	2016
	\$	\$
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	7,211	6,628
Trade accounts receivable	2,617	1,936
Inventories	401	375
Prepaid expenses	107	115
	<u>10,336</u>	<u>9,054</u>
Long-term		
Tangible capital assets (Note 3)	41,521	40,899
Deferred land costs	41	41
	<u>51,898</u>	<u>49,994</u>
<b>LIABILITIES</b>		
Current liabilities		
Trade payables and accrued liabilities	3,211	1,943
Deferred contributions (Note 4)	2,244	1,385
	<u>5,455</u>	<u>3,328</u>
Long-term		
Deferred contributions - tangible capital assets (Note 5)	35,132	36,151
Due to Province (Note 6)	300	300
Severance and future employee benefits (Note 7)	815	959
	<u>41,702</u>	<u>40,738</u>
<b>NET ASSETS</b>		
Unrestricted	3,558	3,558
Internally restricted (Note 8)	6,638	5,698
	<u>10,196</u>	<u>9,256</u>
	<u>51,898</u>	<u>49,994</u>

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

On behalf of the Board,

  
Commissioner

  
Commissioner



# The St. Lawrence Parks Commission

## Operations

Year ended March 31, 2017  
(In thousands of dollars)

	2017		2016
	Unrestricted	Internally restricted (Note 8)	Total
	\$	\$	\$
<b>OPERATING REVENUES</b>			
Entrance receipts	6,278		6,278
Camping	3,857		3,857
Gross profit from retail operations (Note 9)	905		905
Golf course	409		409
Concession and site rentals	468		468
Sponsorships	227		227
Marina docking and storage	558		558
Investment income	70		70
Miscellaneous	151	103	254
	<u>12,923</u>	<u>103</u>	<u>13,026</u>
<b>OPERATING EXPENDITURES</b>			
Salaries, wages and benefits (Note 11)	11,435	295	11,730
Services	3,612	1,192	4,804
Supplies and equipment	1,475	249	1,724
Transportation and communication	105	14	119
Amortization of tangible capital assets	39	754	793
Tangible capital assets maintenance	90		90
Program distribution (Note 12)	322		322
Miscellaneous	15		15
	<u>17,093</u>	<u>2,504</u>	<u>19,597</u>
Operating deficit before the following:	<u>(4,170)</u>	<u>(2,401)</u>	<u>(6,571)</u>
<b>OTHER REVENUES (EXPENDITURES)</b>			
Provincial government funding			
Operational	7,333	189	7,522
Refurbishment (provincial government funding)	5,442		5,442
Revitalization (provincial government funding)	1,500		1,500
Other funding		178	178
	<u>14,275</u>	<u>367</u>	<u>14,642</u>
Refurbishment			
Expenditures	(3,847)		(3,847)
Amortization of tangible capital assets	(1,606)		(1,606)
	<u>(5,453)</u>	<u>-</u>	<u>(5,453)</u>
Revitalization			
Amortization of tangible capital assets	(1,500)	-	(1,500)
Other expenditures			
Amortization of tangible capital assets		(178)	(178)
Provincial government operational funding	<u>7,322</u>	<u>189</u>	<u>7,511</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,152</u>	<u>(2,212)</u>	<u>940</u>

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

## The St. Lawrence Parks Commission

### Changes in Net Assets

Year ended March 31, 2017  
(In thousands of dollars)

	<b>2017</b>		<b>2016</b>
	<b>Unrestricted</b>	<b>Internally restricted (Note 8)</b>	<b>Total</b>
	\$	\$	\$
Balance, beginning of year	3,558	5,698	9,256
Excess (deficiency) of revenues over expenditures	3,152	(2,212)	940
Internal restriction - 2017 net operations	(3,152)	3,152	
Balance, end of year	3,558	6,638	10,196

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



## The St. Lawrence Parks Commission

### Cash Flows

Year ended March 31, 2017  
(In thousands of dollars)

	2017	2016
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	940	1,589
Non-cash items		
Amortization of tangible capital assets	4,077	3,809
Amortization of deferred contributions - tangible capital assets	(3,473)	(3,283)
Gain on disposal of tangible capital assets	(53)	(78)
Changes in working capital items		
Trade accounts receivable	(681)	1,666
Inventories	(26)	65
Prepaid expenses	8	83
Trade payables and accrued liabilities	1,268	(1,177)
Deferred contributions	859	(1,197)
Cash flows from operating activities	<u>2,919</u>	<u>1,477</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(4,751)	(5,925)
Disposal of tangible capital assets	105	133
Cash flows used in capital activities	<u>(4,646)</u>	<u>(5,792)</u>
<b>FINANCING ACTIVITIES</b>		
Deferred contributions - tangible capital assets	2,454	3,284
Change in severance and future employee benefits	(144)	144
Cash flows from financing activities	<u>2,310</u>	<u>3,428</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>583</b>	<b>(887)</b>
Cash and cash equivalents, beginning of year	<u>6,628</u>	<u>7,515</u>
Cash and cash equivalents, end of year	<u><u>7,211</u></u>	<u><u>6,628</u></u>

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

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2017  
(In thousands of dollars)

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### **1 - GOVERNING STATUTES**

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

### **2 - SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

The Commission's financial statements are prepared in accordance with Canadian public sector accounting standards in the Chartered Professional Accountants of Canada (CPA) Handbook. The Commission has elected to apply the accounting standard recommendations applicable solely to government not-for-profit organizations in Sections PS 4200 to PS 4270 of the CICA Public Sector Accounting Handbook.

#### **Accounting estimates**

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

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

##### *Initial measurement*

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

##### *Subsequent measurement*

At each reporting date, the Commission measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

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



# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2017  
(In thousands of dollars)

### 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash and cash equivalents

The Commission's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

#### Inventory valuation

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

#### Tangible capital assets

##### *Amortization*

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

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

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

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

##### *Write-down*

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

## **The St. Lawrence Parks Commission**

### **Notes to Financial Statements**

March 31, 2017  
(In thousands of dollars)

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#### **2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **Revenue recognition**

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

Retail revenue is recognized when 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.

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.

##### **Salaries, wages and benefits**

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

##### **Severance accrual**

OPS regular employees are entitled to one week of severance pay for each year of service, up to a maximum of six months pay, when employment ceases because of death, retirement, layoff after one year of continuous service, or for any reason after five years of continuous service other than dismissal for cause and abandonment of position. Fixed term employees with more than five seasons of continuous service are entitled to such payment only if terminated by the employer. The Commission has accrued the obligation owing to regular employees. Any potential obligation for fixed term employees is recorded only upon termination.

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

The Province provides benefits to OPS employees on workers' compensation through the Workplace Safety and Insurance Board (WSIB). Adjustments to the estimated WSIB obligation, if any, are recognized in the year in which supportive computations are made available to the Commission by the WSIB.



# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2017  
(In thousands of dollars)

### 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Pension Plan

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

### 3 - TANGIBLE CAPITAL ASSETS

			2017	2016
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Buildings and other structures	19,499	3,067	16,432	16,370
Landhold improvements	12,586	2,613	9,973	10,095
Exhibits	7,132	3,523	3,609	4,336
Machinery, equipment and tools	3,990	2,052	1,938	2,192
Vehicles	4,006	2,559	1,447	1,458
Computer systems and licenses	2,775	2,046	729	1,027
Office furniture and equipment	1,582	1,413	169	169
Structures	9,447	2,790	6,657	5,252
Construction in progress	567		567	
	<u>61,584</u>	<u>20,063</u>	<u>41,521</u>	<u>40,899</u>

### 4 - DEFERRED CONTRIBUTIONS

	2017	2016
	\$	\$
Prepaid admissions and camping	<u>1,479</u>	<u>1,385</u>
Ministry of Tourism, Culture and Sport - funding for refurbishment		
Balance, beginning of year		1,299
Contributions	7,001	4,937
Expenditures	<u>(6,236)</u>	<u>(6,236)</u>
Balance, end of year	<u>765</u>	<u>-</u>
	<u>2,244</u>	<u>1,385</u>

# The St. Lawrence Parks Commission

## Notes to Financial Statements

March 31, 2017  
(In thousands of dollars)

### 5 - DEFERRED CONTRIBUTIONS - TANGIBLE CAPITAL ASSETS

	2017	2016
	\$	\$
Ministry of Tourism, Culture and Sport - funding for refurbishment		
Balance, beginning of year	13,505	11,712
Tangible capital additions	2,364	3,226
Amortization	(1,606)	(1,433)
Balance, end of year	14,263	13,505
Ministry of Tourism, Culture and Sport - funding for revitalization		
Balance, beginning of year	18,898	20,512
Amortization	(1,500)	(1,614)
Balance, end of year	17,398	18,898
Ministry of Tourism, Culture and Sport - infrastructure stimulus funding		
Balance, beginning of year	3,649	3,827
Amortization	(178)	(178)
Balance, end of year	3,471	3,649
Celebrate Ontario		
Balance, beginning of year	99	99
Tangible capital additions	90	58
Amortization	(189)	(58)
Balance, end of year	99	99
	35,132	36,151

### 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 is 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 (\$Nil in 2016) relating to the land sales initiative. Costs incurred in the 2014 fiscal year amount to \$41 and have been capitalized as deferred land costs, which are to be recognized in operations against related proceeds on sale.

### 7 - SEVERANCE AND FUTURE EMPLOYEE BENEFITS

	2017	2016
	\$	\$
Severance accrual	608	760
WSIB benefit accrual	207	199
	815	959



## The St. Lawrence Parks Commission

### Notes to Financial Statements

March 31, 2017  
(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 expenditures of \$2,212 from these restricted net assets.

The Board of Commissioners has approved the transfer of the 2017 net results of operations of \$3,152 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:

	<u>2017</u>	<u>2016</u>
	\$	\$
Sales from retail operations	1,833	1,609
Cost of goods sold	<u>928</u>	<u>807</u>
Gross profit from retail operations	<u>905</u>	<u>802</u>

#### 10 - TRANSACTIONS WITH THE PROVINCE OF ONTARIO

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

Included in trade payables and accrued liabilities is \$312 (2016 - \$276) due to the Ministry of Finance in connection with payroll expenses.

During the year, the Commission paid a total of \$12,631 (2016 - \$11,316) in gross payroll expenses to the Ministry of Finance.

Included in Services expenditures is \$77 (2016 - \$46) paid to the Ministry of Finance for various services including advertising, pay stub printing and telephone chargebacks, and \$13 (2016 - \$11) paid to the Ontario Provincial Police for security services.

During the year, the Commission paid the Ministry of Transportation \$231 (2016 - \$230) for the maintenance of the 1000 Islands Parkway which is included in Supplies and equipment expenditures, and paid \$40 (2016 - \$27) to the Ministry of Finance for general liability insurance and provincial licenses.

During the year, the Commission recognized funding totaling \$14,328 (2016 - \$13,653) from the Ministry of Tourism, Culture and Sport, which is included in Provincial government funding.

## **The St. Lawrence Parks Commission**

### **Notes to Financial Statements**

March 31, 2017  
(In thousands of dollars)

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#### **11 - PENSION PLAN**

The Commission's contribution to the PSP Plan and the OPSEU Pension Trust for the year ended March 31, 2017 was \$546 (2016 - \$514) and is included in salaries, wages and benefits.

#### **12 - PROGRAM DISTRIBUTION**

Pursuant to an operating agreement entered into with the Corporation of the City of Kingston, covering contracted services in connection with a seasonal 2016 tour program offering, the Commission has reflected in these 2017 financial statements program entrance receipts of \$1,511, both direct and allocated incurred program costs of \$867, a marketing contribution of \$322 for the mutual benefit of the Commission and Tourism Kingston, and made a further distribution of \$322 to the United Way of Kingston, Frontenac, Lennox and Addington, representing an agreed one-half of the net program operating results.

#### **13 - REMUNERATION OF MEMBERS**

Total remuneration of members of the Commission was \$6 (2016 - \$5).

#### **14 - COMMITMENTS**

- a) The Commission has entered into long-term lease agreements expiring on various dates between July 2017 and February 2021 which require lease payments of \$99. The minimum lease payments for the next four years are \$42 in 2018, \$42 in 2019, \$12 in 2020, and \$3 in 2021.
- b) The Commission entered into a long-term maintenance contract with the Ministry of Transportation in 1983. An annual payment is made for the maintenance of the 1000 Islands Parkway of \$150, adjusted for inflation, until written notification of termination is made by the Commission, which requires a minimum of eight months to come into effect. There is a commitment of \$206 for the forthcoming financial year.

#### **15 - FINANCIAL INSTRUMENTS**

##### **Financial risk management objectives and policies**

The Commission is exposed to various financial risks resulting from its operating activities. The Commission's management manages financial risks.

During the year, there were no changes to the financial instrument risk management policies, procedures and practices. The means used by the Commission to manage each of the financial risks are described in the following paragraphs.

## **The St. Lawrence Parks Commission**

### **Notes to Financial Statements**

March 31, 2017  
(In thousands of dollars)

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#### **15 - FINANCIAL INSTRUMENTS (Continued)**

##### **Financial risks**

The Commission's main financial risk exposure is as follows:

##### *Credit risk*

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

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

The trade accounts receivable balances are managed and analyzed on an ongoing basis and, accordingly, the Commission's exposure to doubtful accounts is not significant.

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

##### *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.

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

The Commission's financial assets, totalling \$9,828 (2016 - \$8,564), have all been classified as financial assets measured at amortized cost.

#### **16 - COMPARATIVE FIGURES**

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





July 17, 2017

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

Dear Sir or Madam:

This representation letter is provided in connection with your audit of the financial statements of the St. Lawrence Parks Commission (hereinafter the "Organization") as at March 31, 2017 and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards (CPSAS).

We confirm the following, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

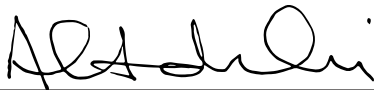
### **Financial statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation of the financial statements in accordance with CPSAS; in particular, the financial statements are fairly presented in accordance with CPSAS.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of CPSAS.
- All events subsequent to the date of the financial statements and for which CPSAS require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- All cases (pending or current) before the courts, in whatever jurisdiction, and all known actual or pending litigation, judicial complaint and claims, to which the Organization is or could be party, including those that have not been discussed with the Organization's outside and in-house counsel whose effects should be considered when preparing the financial statements are correctly accounted for and disclosed in accordance with CPSAS.
- All contingent liabilities have been properly disclosed in the financial statements. We are not aware of any Contaminated Sites that would require disclosure according to section PS3260 of the handbook.

## Information provided

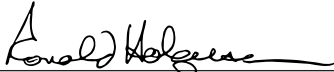
- We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements. The adjusting journal entries which have been proposed by you, are approved by us and will be recorded in the books of the Organization.
- We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Organization and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Organization's financial statements communicated by employees, former employees, analysts, regulators or others.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.

Yours truly,



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Mr. Al Adibi, Finance and Human Resources Manager



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Mr. Ronald Holgerson, Interim General Manager & CEO