

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

**Parks of the
St. Lawrence**



**Les Parcs du
Saint-Laurent**

LA COMMISSION DES
PARCS DU SAINT-LAURENT
UN ORGANISME DU
GOUVERNEMENT DE L'ONTARIO

St. Lawrence Parks Commission

ANNUAL REPORT

2018 / 2019

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MESSAGE FROM THE CHAIR

It was with great pleasure that I accepted the appointment to the role of Chair of the St. Lawrence Parks Commission in January 2019. I am excited to join the team of such a dynamic tourism organization that is so important to the economy of Eastern Ontario.

The 2018/19 year was successful for the SLPC generating \$14.742 million in revenue from operations and a net surplus of \$1.028 million. This surpassed budget by \$617 thousand. SLPC realized a planned decline in the net surplus due to an investment in staffing to create capacity to support anticipated future growth and to invest in the quality of the visitor experience. Overall attendance to SLPC attractions excluding Marina activity declined by approximately 7% (44,000 visitors) in 2018/19 compared to 2017/18. This decline was largely due to a change in the number of tours offered for sale at Kingston Penitentiary. Camping continued to perform strongly showing a 10% increase year over year.

Over the past 10 years, SLPC has improved its performance significantly. In 2008, SLPC covered approximately 47% of its costs through revenue generated from its operations. In 2018/19 SLPC covered 70% of its expenses through revenue from operations. Activity to SLPC attractions including gate entrance, golf rounds, camper nights and marina dock/storage has increased to 1,977,000 (excluding Kingston Pen Tours activity), more than 107%.

Community partnerships are important to SLPC both with municipal and tourism partners and with residents in the communities where we operate facilities and have land holdings. A priority for SLPC moving forward is to build and strengthen these important relationships and to keep open lines of communication. SLPC once again partnered with the City of Kingston and Correctional Service Canada to operate tours at Kingston Penitentiary. Over 68,000 visitors were hosted in 2018, a reduction from 2017 but due to a restructuring of tour times and capacity. This new tourism venue continues to fascinate guests and is a powerful trip motivator for tourism to the City of Kingston. SLPC looks forward to continuing this partnership.

In October 2018, SLPC was pleased to attend Destination Ontario and Destination Canada led sales missions in the UK and Asia (China, South Korea and Japan). This first foray into the international travel trade market is already yielding results and the management team is very optimistic about the opportunities for sales growth from these markets. SLPC is ideally located along the 401 corridor between Montreal and Toronto and just one hour south of the nation's capital Ottawa to take advantage of the tourism traffic through the region.

It was with great pride that SLPC staff were acknowledged with a Tourism Industry Association of Ontario tourism award for Accessible Tourism. SLPC has been committed to expanding access to its facilities for all guests in a variety of ways and I know that these efforts will continue to be developed in the coming months and years.

While the success of SLPC operations has allowed for investments to refresh visitor experiences, launch new attractions and events there are significant capital pressures from aging infrastructure that are threatening ongoing operation of facilities. The most immediate is the need for a solution to SLPC's water and sewage facilities. These facilities, which are well past their useful life, are now failing and in serious need of replacement. A solution to this failing infrastructure is the SLPC's most pressing and most costly capital need.

SLPC conducts ongoing analysis of the performance of its attractions and events. Currently staff are reviewing the winter event at Fort Henry and are planning to refresh the visitor experience to one that is both a fun experience but also more financially sustainable. As well, SLPC is reviewing other program areas to structure in such a way to be the most cost efficient while at the same

time delivering a high quality tourism product. Other areas of review include SLPC's stewardship role that it plays in the operation and management of the 1000 Islands Parkway and for its extensive landholdings.

In the coming months an important focus for the Board, Senior Leadership Team and staff is to develop a strong five year Strategic Plan. I look forward to working with the Board and staff to develop this strategy to guide the SLPC in dealing with its diverse priorities and challenges.

I would like to recognize the leadership of Board member Linda Ann Daly who served as interim Board Chair from April 18, 2018 to January 16, 2019 and as a Board member since April 2013. Linda's steady guidance to the SLPC during this transition period was invaluable and appreciated. To the other SLPC Board members, a sincere thank you for their commitment of time, energy and expertise.

MESSAGE FROM THE GENERAL MANAGER & CEO

The St. Lawrence Parks Commission (SLPC) was established in 1955 and is a Board-governed agency of the Government of Ontario. Its mandate under the *St. Lawrence Parks Commission Act, R.S.O 1990*, 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 is one of the largest tourism destinations in Eastern Ontario, extending 200 kms from Kingston to near the Quebec border. Facilities include thousands of hectares of park land and attractions on the St. Lawrence Heritage Corridor that provide a major source of recreational opportunities for residents and visitors to the Eastern Ontario Gateway to Ontario.

The SLPC supports the Ontario Ministry of Tourism, Culture and Sport's efforts to strengthen Ontario's tourism industry. SLPC is a key economic driver in Eastern Ontario employing 468 dedicated people throughout the year including a complement of full time, part-time, seasonal and students to deliver quality visitor experiences. SLPC operations generate a regional economic impact between \$70-100 million annually to the province's economy making SLPC tourism operations a significant economic driver that improves the lives of the people living in the region and province.

In 2018/19 SLPC hosted over 620,000 visitors, attracting significant visitation from Ontario, Quebec and internationally. SLPC's role as a tourism draw brings visitors to local community businesses and adds to the vitality of the region. SLPC works in partnership with local municipalities and Destination Marketing Organizations.

The SLPC is proactively working to increase compliance with its obligations under the French Language Services Act. In 2018 it took steps to increase the recruitment of bilingual staff. Upper Canada Village increased bilingual staff by 75% and Parks and Recreation by 68%. At Fort Henry, to respond to the increase of Asian guests it recruited two Mandarin speaking tour guides who hosted 423 Mandarin tours.

Following a lengthy absence, SLPC refocused efforts in 2018/19 on the travel trade market participating at Rendez-vous Canada, CITAP and Bienvenue Quebec marketplaces in 2018. Attendance at these marketplaces allowed staff to reconnect with buyers from both domestic and international markets to promote the experiences SLPC delivers at its sites. To celebrate the Canada-China Year of Tourism, SLPC participated in sales missions and marketplaces led by

Destination Ontario and Destination Canada in China, South Korea, Japan and the UK and Ireland. SLPC attractions, in particular the historic sites, were enthusiastically received by tour operators and by the end of the fiscal year, bookings had been received as a direct result of these very successful sales missions. SLPC covered the costs for participation and travel through net profits from Kingston Pen Tours.

Access to tourism experiences for all visitors is important and staff have introduced a number of initiatives aimed at providing more accessible sites. In October 2018, the SLPC was recognized for its efforts in accessible tourism with an Accessible Tourism Award at the Tourism Industry Association of Ontario annual summit in Windsor. From visitor's use of all-terrain wheelchairs to navigate our outdoor terrain, to programming which caters to those on the autism spectrum, to working with organizations like the CNIB, Canadian Hearing Society and the Alzheimer's Society of Ontario to educate employees and create specialized tours, this was a team effort by staff who care. At Kingston Penitentiary, 2018 tours included options with American Sign Language (ASL), added interpretation for vision loss and for guests with mobility considerations. SLPC will continue to build upon these initiatives in the future.

While the excessive heat and humidity did play a role in overall performance at the historic sites during 2018/19, following Canada's 150th celebration year of 2017 probably had the biggest impact on visitation. Upper Canada Village saw activity during the main season of May – September decline by 5% over 2017 levels however, it was approximately 2% above budgeted targets. The Medieval Festival in June continued to have huge popularity with 8,750 guests, 27% over budget. Fort Henry showed growth as its main season visitation grew 8.5% to 41,298 compared to 38,064 in 2017. Kingston Pen Tours hosted 68,000 visitors on two tours offerings including the 1.5 hr Standard Tour and a 2.5 hr Premium Tour. The Premium Tours sold out all season and the Standard Tours were sold out every weekend and every day for seven weeks straight during July and August. SLPC is considering the negotiation of a contract to continue to offer the tours.

SLPC delivers dynamic fall and winter events at Upper Canada Village and Fort Henry, which extend the tourism season and contribute significantly to the SLPC's financial performance. Combined, fall and winter events attract over 140,000 visitors. In 2018, Celebrate Ontario funding of \$158 thousand provided support to enhance Upper Canada Village's Alight at Night with the addition of Carousel Corner a family activity and warm-up area in the fairgrounds and a new family experience The Other World added to Fort Henry's Fort Fright. In October, operational changes were made at Pumpkinferno setting limits set on ticket sales to better manage congestion on site and to resolve traffic issues. In 2018, 63,000 visitors attended Pumpkinferno over just 20 nights of operation. Staff will continue to refine visitor capacity, parking and look at other options to ensure an optimal visitor experience at this successful event. SLPC performs an ongoing review and refinement of the visitor experience in all events. It is looking at ways to refresh the winter event at Fort Henry to offer an event that is both engaging for guests and financially sustainable.

The dry, hot weather had a mixed effect on Parks & Recreation business operations depending upon the activity. It had a positive impact on camping with activity growing 10% to 156,000 camper nights compared to 142,000 in 2017. SLPC was pleased to participate in a pilot run of the Ontario Learn to Fish program at McLaren Campground with 489 participants. Staff will evaluate options to expand the offering of this popular experience at additional campgrounds in 2019.

While the lack of rain made for consistent playing conditions, at the golf course the high temperatures above 30 C and often feeling close to 40 C did have a negative impact on afternoon play. However, overall, memberships and green fee activity increase slightly despite the challenges.

Water levels in the St. Lawrence River were at an all time low during the summer of 2018 which had a negative impact at the marina and complicated the process of getting boats in and out of the water throughout the season. Fluctuating water levels also resulted in damage to the dock systems over the winter months.

Skywood Eco Adventure continued to achieve high customer satisfaction ratings for its exciting aerial and zip line courses hitting 4.5 out of 5 on Trip Advisor. This business unit experienced challenges with recruitment and staff retention which increased training expenses. While visitation was lower than expected, cost controls minimized operating losses. Staff will continue to evaluate the business structure and scheduling to achieve a more profitable operation.

Having recently joined the SLPC as General Manager & CEO in August 2018, I have been impressed with the variety and quality of visitor experiences delivered by a committed and talented workforce to a very diverse audience at all of the attractions. SLPC assets are ideally situated located along the St. Lawrence River from near the Ontario-Quebec border to the City of Kingston with easy access from highway 401 and truly operate as a recreational gateway to the province of Ontario.

While the breadth and diversity of experiences offered is a strength, this also presents numerous challenges. SLPC's extensive infrastructure dating to its creation in the late 1950s is aging and some key systems are urgently in need of renewal as they are well past their life span. SLPC is working closely with the Ministry of Tourism, Culture & Sport (MTCS) and local municipalities to come up with responsible infrastructure improvement solutions and to develop partnerships in order to continue to conserve the physical condition and value of these important assets for future generations.

With the rapidly changing marketplace and growing consumer demand for e-commerce and immediacy of information, SLPC is working closely with the Ministry of Tourism, Culture & Sport Information and Information Technology (I & IT) cluster team and other agencies in the development of a Request for Bids to procure for a point-of-sale system. The assistance and leadership from the MTCS I & IT cluster on this important project has been invaluable. SLPC has also been grateful for the I & IT cluster's expertise working together on a plan for a website solution. The use of one POS system across multiple business units paired with a modern and well functioning website will help SLPC to maximize online sales potential and is critically important for future revenue generation.

Looking towards the future, the development of a multi-year Strategic Plan and a broad based capital plan are key priorities for SLPC in the next year. The SLPC Board and Senior Leadership Team will invest in the development of a plan designed to achieve incremental self-sufficiency over time. In addition, SLPC Senior Leadership will continue to evaluate how to optimize the investment of its resources, both financial and staffing to move the organization into the future.

As the new General Manager & CEO at the St. Lawrence Parks Commission I have appreciated the support I have received from the staff at the Ministry of Tourism, Culture & Sport, the Board of Commissioners, SLPC staff and tourism partners throughout the region as I have been learning about tourism and the wonderful experiences offered.

CORPORATE OVERVIEW

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.

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.

2018/19 ST. LAWRENCE PARKS COMMISSION BOARD OF COMMISSIONERS

Chair:

Bob Runciman
Brockville
January 17, 2019 – January 16, 2022
2018/19 Remuneration: \$0

Chair:

Ian Wilson
Kingston
April 18, 2012 – April 17, 2018
2018/19 Remuneration: \$675

Commissioners:

Margaret Fancy
Mallorytown
October 23, 2013 – November 22, 2019
2018/19 Remuneration: \$900

James Garrah
Gananoque
October 30, 2013 – October 29, 2019
2018/19 Remuneration: \$900

Robert Tchegus
Kingston
April 26, 2017 – April 25, 2020
2018/19 Remuneration: \$0

Guy Tondreau
Cornwall
June 28, 2017 – June 27, 2020
2018/19 Remuneration: \$900

Linda Shanks
Kingston
August 31, 2017 – August 30, 2020
2018/19 Remuneration: \$750

Debora Daigle
Cornwall
June 28, 2017 – June 27, 2020
2018/19 Remuneration: \$900

Chair (Acting):

Linda Ann Daly
Kingston
April 18, 2018 – January 16, 2019
2018/19 Remuneration: \$1,125

Vice-Chair:

Linda Ann Daly
Kingston
April 24, 2013 – April 17, 2018
January 18, 2019 - August 3, 2019
2018/19 Remuneration: \$0

SENIOR LEADERSHIP TEAM 2018/19

Ronald Holgerson
Interim General Manager & CEO (ended September 20, 2018)

Hollie Kew
General Manager & CEO (started August 20, 2018)

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

Geoff Waycik
Director, Historic Sites

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

Tracey Ogilby
Manager, Upper Canada Village

Jennifer Tarini
Director, Parks and Recreational Facilities

Robert Hamilton
Manager, Maintenance and Operations

Brent Sommerville
Regional Parks Operations Manager

Tim Robins
Manager of Recreation & Leisure Facilities

Al Adibi
Director, Corporate Services

Shannon Moulton
Human Resources Coordinator

Susan Le Clair
Acting Director, Marketing & Customer Experience

BUSINESS UNTIS

UPPER CANADA VILLAGE

- Total activity for core season was down 5% compared to previous season, but up 2% over budget
- Increased French/English bilingual staff complement by 75%
- On-site programming improvements included reintroduction of the Cooper and new exhibits in the Signal Tower and the Masonic Lodge
- Loucks Barn renovations completed in time for the launch of the season
- Animal pens relocated to the fairgrounds; better visitor visibility, experience and accessibility
- Events including a Celebration of Canadian Music, Horse Lovers Weekend and Annual Fall Fair and Quilt Show well attended with 10,957 visitors through the gates
- Medieval Festival was attended by 8,750, which was 27% over budget
- Time Traveller camp sold out all 330 spots once again with over dozens of names on the waiting list
- Operational changes made at PumpkInferno to avoid traffic congestion problems were effective in balancing attendance, achieving over 63,000 visitors over 20 nights of operation

FORT HENRY NATIONAL HISTORIC SITE OF CANADA

- Fort Henry visitation showed growth of 8.5% welcoming 41,298 visitors during the main season.
- Bytown Catering contract to provide food and beverage services
- Additional staffing resources allowed for increased activation in both the Lower Fort and the Advanced Battery
- Two Chinese speaking guides employed who conducted 423 Mandarin dialect tours
- Sensory Sundays program continued this season offering families with children on the Autism Spectrum a judgement free experience
- Guard Memorial Room exhibit enhanced through funding by the Fort Henry Guard Club
- Kingston Gunners' Exhibit opened with assistance from the Royal Canadian Artillery
- Canadian Conservation Institute performed a facility assessment of the Fort Henry library and artifact storage
- The Otherworld all-ages event launched, partially funded through a Celebrate Ontario grant
- Fort Fright redesigned to run concurrently with The Otherworld
- Fort Henry Local Employee Relations Committee formed in September, 2018
- IRR project to replenish Fort Henry Guard uniforms was successfully executed

KINGSTON PENITENTIARY TOURS

- Employed 30 retired correctional services workers, in addition to 20 students and 20 seasonal staff.
- Premium tours sold out all season and all other tours were sold out every weekend and every day for 7 straight weeks in July and August
- Modified programming on Prisoners' Justice Day on August 10 where tour guides explained the day's relevance in modern day corrections while admission's staff distributed CSC approved brochures
- Contract for 2019 season under consideration

PARKS AND RECREATIONAL FACILITIES

Campgrounds & Beaches

- Dry hot weather had positive impact on revenue generation; however, a three week burn ban impacted customer attendance as well as firewood sales
- Day use walk in and bicyclist fee of \$2.00 implemented
- New staff positions, senior park workers, retail coordinator had a beneficial impact on service levels to guests
- 68 % of new student hires were bilingual
- First year of Learn to Fish program was successful; 489 participants, 60% children, 70 fish caught (predominantly perch)
- Park events: 2 Dog Shows & MEC Triathlon; both successful. SVG Picnic cost \$20K to host, 2018 LSPW Regatta cancelled due to municipal strike
- Capital Investment in 2018: permanent gate structure (LSPW), engineering services for beach restoration plan, new washroom at McLaren Campground, Farran Park RV upgrades of 19 sites and the installation of bike lockers, racks & repair stations through bike parking capital funding program

Upper Canada Golf Course

- Lack of rain made for consistent play; however, affected afternoon activity when temperatures reached 30-40 degrees
- Tournament Open for Special Olympics showcased the course to local market; entice activity, membership and sponsorship opportunities
- Memberships and daily greens activity increased slightly contrary to local market
- Completed and utilized automated sprinkler system for the front 9 holes

Crysler Park Marina

- Marina Management System – utilized new system to its full potential
- Docks are aging and showing significant deterioration; will require major investment
- Sent staff to a Georgian College for boat lift training; increased utilization of hydraulic sling lift
- Water levels were at an all time low this season. Kept boaters off the water and seasonal boaters at their slips. Created problems for getting boats in and out of the water throughout the season
- Increased occupancy at the marina camp sites and cabins
- Experienced some customer push back regarding blended business (camping and marina) and public vs private marina

Skywood Eco Adventure

- Customer satisfaction at its best (Trip advisor 4.5 out of 5)
- First full season with Expert courses open (well received)
- Lower attendance than expected; significant cost controls in staffing and expenses to attempt to meet profit targets
- Major staff turnover increased training expenditures; difficult to fill newly developed rescue guide positions due to experience requirements (shifted to student rescue guides)
- Implementation of new Lead Guide/ Training position

Maintenance & Operations

- Equipment upgrades
- Capital investments included the completion of the paving of the maintenance road and parking lot, equipment upgrades and Grenville Park sewage treatment plant
- Continued compliance with MECP for existing, aging sewage systems
- Closed 1,896 work orders and 616 stock orders across commission
- Staffing challenges due to hiring freeze; managed to successfully onboard five new employees
- Data gathering supported with new survey equipment on various projects throughout commission

CORPORATE SERVICES

- Annual Financial Audit: Completed successfully with no issues in June 2018
- A new financial auditor was selected through procurement process.
- Completed the Provincial audit in May 2018
- Bank Service Fees: Negotiated lower rates with the Bank of Montreal
- Reduce bank service fees - Consolidated merchant reporting of Moneris fees and device rentals to further assist with automation of bank reconciliation
- Investment Strategy: Continued investing in short-term GIC with BMO Nesbitt Burns and improved investment income
- Procurement, Payable and e-Expense automation: This project was recently restarted and will take over a year to complete
- The information technology network was expanded to include Skywood and Brown's Bay wireless and Chrysler Park Marina. This allowed the marina to implement a new Marina Management System that will facilitate improved tracking of seasonal and transient dockage customers and automate both retail and point-of-sale functions
- Security was also enhanced with addition of video surveillance systems at all Parks across the SLPC that is allowing for real-time remote monitoring of the locations. During this project, telecommunications facilities were greatly improved due to the addition of telecom-cabinets and new network infrastructure cabling
- The website module used for recruitment, was reconfigured and enhanced to provide improved functionality and services in both English and French. Leadership training was completed for all management and supervisory staff. Training focused on leadership, coaching, communication styles, conflict resolution, mediation, and team building

MARKETING & CUSTOMER SERVICE

- The WHERE AM I? (WAI) campaign was SLPC's largest media initiative in partnership with Destination Ontario and Tourism Kingston
 - TV – overall audience achieved to 103% of plan
 - Display/Video – delivered 5.7 million impressions to 4.1 million unique viewers, generating 10,725 clicks and drove CTR of 0.19%
 - Social – 12,920,240 impressions reaching 1,799,250 unique users with overall CPM of \$5.08. Drove 33,917 clicks to site at an overall wCTR of 0.24%.
- International Sales - celebrating Canada-China Year of Tourism, SLPC participated in sales missions and marketplaces in China, South Korea, Japan and the UK and Ireland
- Domestic Sales – SLPC successfully returned to Rendez-vous Canada, Bienvenue Quebec and CITAP after a lengthy absence
- WAI and international and domestic sales initiatives were funded through proceeds of Kingston Penitentiary Tours
- Social Media (organic & paid) continues to drive visits to the website. In 2018, UCV social drove over 53,000 (+35%) visits to the website while Fort Henry social saw 47% or almost 25,000 referrals and Kingston Pen over 43,000 (+8%)
- Social message volume increased significantly. Fort Henry grew almost 750% up to 5,973 messages sent and by 5,252% or 21,800 messages received; Upper Canada Village grew messages sent by 100% to 5,889 and messages received hit 41,100; while Kingston Pen hit 15,995 sent and 17,100 messages received
- Addition of second Social Media & Web Administrator focused on Parks & Recreational facilities delivered results:
 - 15 channels managed, increased engagement to 48,600 (115.9%) and link clicks grew from 4,166 to 141,100 (3.386%)
 - Followers (Twitter, Facebook, Instagram) grew to 27,300 (111.7%);
 - Increased presence on Google Search and business listings (maps)
- Partnered with Ottawa Tourism and Destination Canada to host film crew from China at Upper Canada Village to shoot a piece to celebrate 20th anniversary of Ottawa and sister city Beijing in 2019. CCTV largest TV station in China
- Hosted Ottawa Tourism led Instameet with 20 bloggers, photographers and Instagrammers in September at opening of Pumpkinferno
- Customer Service team saw 14% increase in inquiries via email and chat and 7% increase in call volume; represents a 56% increase over previous years
- Successfully developed and launched online reservation system for Kingston Pen Tours and facilitated group bookings. In total Marketing & Customer Service teams provided over 22 weeks of support to Kingston Pen Tours

CORE PRINCIPLES, VALUES AND BELIEFS

- Success must be achieved through excellence in the presentation and promotion of quality attractions, facilities and retail establishments which complement private sector offerings.
- 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
- SLPC is committed to responding to the needs of its visitors through service and courtesy
- SLPC is dedicated to communicating effectively with visitors, staff, community leaders, associations, private tourism operators and the Ministry of Tourism, Culture and Sport
- SLPC believes that the development and implementation of a unique corporate image will heighten public awareness of the 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
- SLPC is committed to responsible and ethical management of its attractions, facilities and services
- SLPC is committed to the principles of its corporate vision. It will guide corporate planning and new initiatives and it will also assist in setting priorities for existing programs and set the stage for cooperative activities with the private sector and other stakeholders

OBJECTIVES

- To encourage and promote 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 SLPC's jurisdiction for the benefit of the people of Ontario and enjoyment of visitors to the province
- To manage historic sites, campgrounds, parkways, recreation areas and/or other facilities which enhance SLPC's contribution to tourism development, recreation, learning and heritage conservation
- To provide SLPC's services and facilities at a high standard of excellence for the recreational and learning enjoyment of its visitors

STRATEGIC PILLARS

The SLPC is guided by its Strategic Pillars, which were updated in November 2017.

Pillar I – Support a Health, Safety and Environmental Culture

SLPC will continue to develop a “safety-first” culture that creates a healthy work environment where employees feel safe at all times and activities leave a minimal environmental footprint in every location. SPI (Safety Performance Index) and root cause analysis will inform safety progress. SLPC’s Multi-year Accessibility Plan will ensure the SLPC meets Ontario’s accessibility laws and removes accessibility barriers. The SLPC Wellness Committee will encourage and promote habits of wellness among SLPC employees.

Pillar II – Move towards Operational Self-Sufficiency

SLPC will continue to improve overall performance by continuing to emphasize both revenue generation and a margin focused model. 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 Business Units. Continued focus on budget adherence through variance analysis, metrics and accountability will be applied to improve overall financial performance. Further, SLPC will maintain a continuous effort to outpace inflation with cost structure improvements.

Pillar III – Optimize and Balance Resources and Profits

SLPC will optimize and balance resources and profits in order to ensure product quality, visitor satisfaction, and increased profitability. SLPC will continue to offer existing and potential clients a broad range of competitive products and services within the Historical Sites and Parks and Recreation attractions. SLPC will endeavor to be perceived as a tourism industry innovator through exceptional creativity, depth and capacity with a focus on high yield programming and special events designed to enrich visitor experience. Reinvestment of operational gains to sustain product quality, tourism experience excellence and grow and enhance programs and product mix will contribute to organizational and financial sustainability. The preservation of our core Heritage Sites remains paramount and new product will be considerate of heritage impact such that new offerings are non-dilutive to our core product.

Pillar IV – Grow and Expand the Customer Base

Investments in enhanced product quality, special events, thematic daily/weekend programming, perceived “value for money” and a strengthened SLPC brand will be designed to support provincial, national and international market development and reinforce ongoing regional and provincial market penetration.

Pillar V – Build a Talented and Committed Workforce

SLPC will excel at attracting, developing, and retaining competent and flexible personnel to support an ever evolving high performing organization; through enhanced leadership and employee engagement. SLPC’s focus will be to continue to invest in a culture of motivated improvement and personal accountability. Investment in the educational development of staff will continue in all professional development categories. Enhanced capacity to serve international visitors in their language must be considered.

PERFORMANCE MEASURES

SLPC aligns its performance measures with its five strategic pillars and uses outcome and output based reporting. The following are the performance measures used in 2018/19:

Pillar I – Support a Health, Safety and Environmental Culture

Measure reported staff and visitor incidents over time and monitor the incidences of tick bites.

Pillar II – Move towards Operational Self-Sufficiency

Analyze activity levels weekly and compare to budget and previous year to evaluate performance, identify trends and opportunities.

Pillar III – Optimize and Balance Resources and Profits

Conduct monthly financial reviews of key performance indicators, income statements, internally restricted reserve reports, capital reports, and activity reports to evaluate financial performance versus budget for the period and previous year.

Pillar IV – Grow and Expand the Customer Base

Measure customer satisfaction levels using a variety of methods (e.g. social media comments, customer comment cards) and enhance customer intelligence to identify areas to expand customer base and develop new products.

Pillar V – Build a Talented and Committed Workforce

Implement new Human Resource plan to address workforce challenges (e.g., enhanced staffing model, recruitment diversity, corporate training, and digitization of processes) and monitor FTEs to ensure business units are operating within caps.

RISK AND SIGNIFICANT EVENTS THAT IMPACTED PERFORMANCE

None to report in 2018/19. SLPC exceeded its annual operating budget.

STAFFING LEVELS

SLPC STAFFING SUMMARY	2018/19	2017/18	2016/17
Regular Full-time	61	41	34
Regular Part-Time	1	12	14
Seasonal (averaging 5-6 months per year)	154	154	156
Student (averaging 4 months per year)	252	252	252
TOTAL SLPC STAFFING LEVELS	468	459	456

ATTRACTION ACTIVITY PERFORMANCE

ATTRACTION	2018-19	2017-18	2018-19 vs 2017-18		2016-17
Fort Henry admissions/rentals	118	126	(8)	(6) %	157
Upper Canada Village admissions/rentals	259	270	(11)	(4) %	213
Parks nights/admissions	156	142	14	10 %	168
Upper Canada Golf Course rounds/rentals	16	17	(1)	(5) %	18
Skywood Eco Adventure Park admissions	10	11	(1)	(8) %	10
Kingston Pen Tours admissions	68	105	(37)	(36) %	60
SLPC total excluding Crysler Park Marina	627	671	(44)	(7) %	626
Crysler Park Marina docked/stored linear ft.	1,418	1,508	(90)	(6) %	1,666
SLPC total including Crysler Park Marina	2,045	2,179	(134)	(6) %	2,292

Note: Above amounts are in thousands.

FINANCIAL PERFORMANCE

OPERATIONS

In 2018/19, SLPC generated \$14.742 million in revenue from operations and a net surplus of \$1.028 million, surpassing its budget by \$619 thousand or 151% and realizing a planned decline in net surplus of \$384 thousand or 27% over 2017/18. A major contributing factor to the year-over-year decline in net surplus is due to an investment in human resources intended to create capacity to support the anticipated future growth of the SLPC. This investment is outlined in SLPC's Enhanced Staffing Plan in the 2018-19 Business Plan.

SLPC received a provincial government operating grant in the amount of \$7.123 million from the Ministry of Tourism, Culture and Sport (MTCS) which was increased by \$500 thousand from \$6.623 million in the previous year. Other funding from the MTCS included two Celebrate Ontario grants totalling \$158 thousand to support events at Upper Canada Village and Fort Henry and \$80 thousand from the Student Experience Program to subsidize student wages. SLPC also received a grant for \$20 thousand from the Federal Department of Multiculturalism and Canadian Identity to create a Ukrainian Culture exhibit.

CAPITAL INVESTMENT

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 3 major historic attractions, 14 beaches and campgrounds, 37 km 1000 Islands Parkway, 11 km Long Sault Parkway, a long distance recreational trail, a wildlife sanctuary, an eco-friendly zip line aerial park, 18-hole golf course, a marina, and gift and retail stores.

SLPC's amortized capital assets, excluding land and roads, are valued at \$51.3 million. 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 MTCS Asset Management Information System (AMIS) and subsequently capital repair and refurbishment projects are prioritized. Approximately \$15.3 million of repairs are related to top AMIS priorities (currently critical, code compliance requirements, health and safety, and imminent breakdown) and approximately \$38.0 million in repairs are related to other high-priority projects.

In 2018/19, SLPC spent \$4.249 million on capital projects using capital grants from MTCS. Those funds were directed to a number of high priority projects that were vital to ensuring the safety of staff and visitors, were necessary to comply with legislative and regulatory requirements, and were necessary to support on-going operations and revenue generation.

Capital projects for the year included the repair and replacement of septic and sewage systems, washrooms, drainage, information technology infrastructure, buildings, golf cart fleet, light equipment, heavy equipment, maintenance equipment, food service equipment, HVAC (heating, ventilation, and air conditioning systems), electrical systems, plumbing systems, irrigation systems, accessibility infrastructure, storage facilities, and many other projects related to the repair and refurbishment of SLPC assets.

INTERNALLY RESTRICTED RESERVE (IRR)

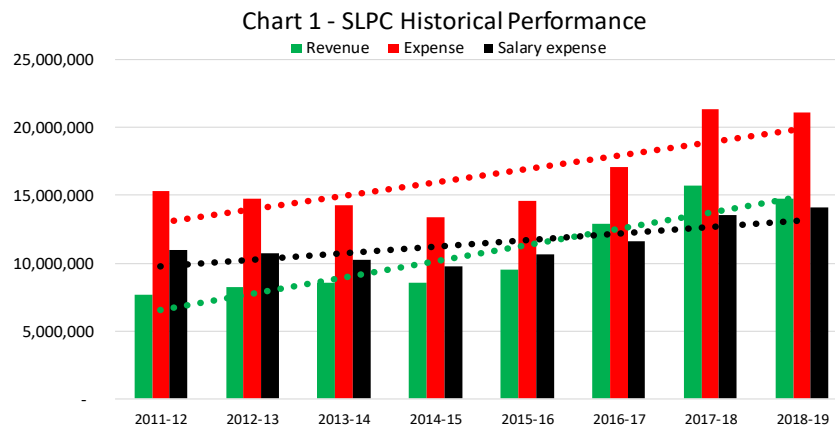
In 2011/12 the SLPC and the MTCS collaboratively established an Internally Restricted Reserve (IRR) with a one-time, \$2.5 million grant provided by the MTCS. The IRR is the investment fund that the SLPC uses to drive growth and to make progress towards the goal of financial self-sufficiency (less dependence on government funding). The IRR is funded internally through net income. It is invested in new programs and events, enhancements to customer experience, and for initiatives that will result in cost savings. The SLPC Board of Commissioners established and approved guidelines for the fund that requires that projects approved for funding generate (1) an operating contribution margin of at least 50%, or (2) result in cost savings of at least 25%. Since 2011/12, the IRR is funded internally through annual net income.

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

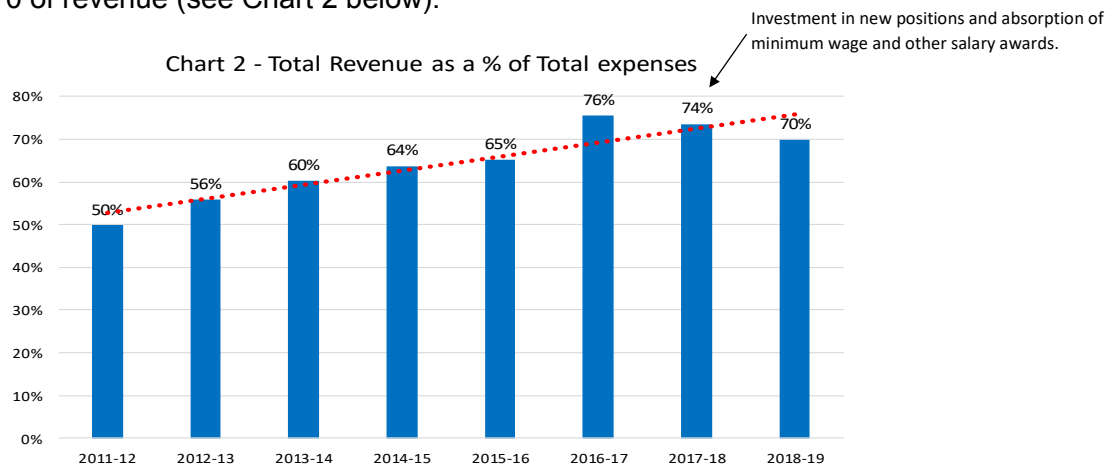
Since 2011/12, SLPC's net income from operations has contributed over \$13.4 million to the IRR and over \$12.4 million has been invested in projects such as developing:

- The critically acclaimed fall event Pumpkinferno that has attracted over 77,000 visitors in one year and generates over \$1 million annually,
- Lumina Borealis that has attracted over 60,000 visitors in one year and generates over \$380 thousand in revenue annually,
- Skywood Eco Adventure Park that generates over \$400 thousand in revenue annually,
- Camper Cabins that generates over \$260 thousand in revenue annually,
- Full service campground upgrades that generates over \$200 thousand in revenue annually, and,
- Electrical efficiency upgrades to reduce SLPC power consumption that has saved an estimated \$50 thousand annually.

As SLPC has invested in refreshing visitor experiences and keeping pace with visitor demands, revenue from operations has grown from \$7.64 million in 2011/12 to \$14.74 million in 2018/19, an increase of 93% (see Chart 1 below).



The impact on SLPC’s financial performance has been dramatic. In 2011/12 for every dollar of expense, SLPC generated \$0.50 in revenue; in 2018/19, for every dollar of expense, SLPC generated \$0.70 of revenue (see Chart 2 below).



Other factors that have contributed to this success have also included a commitment to Lean Kaizen principles and a corporate restructuring. Salaries and wages are SLPC’s largest expense. By 2016/17, for the first time, SLPC revenue covered 100% of salaries and wages (see Chart 1 above).

MANAGEMENT'S RESPONSIBILITY FOR ANNUAL REPORTING

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

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

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

The Board of the St. Lawrence Parks Commission is responsible for gaining assurance that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

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

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



Hollie Kew
General Manager & CEO
St. Lawrence Parks Commission



Al Adibi
Director, Corporate Services
St. Lawrence Parks Commission

APPENDIX

Financial Statements of

**THE ST. LAWRENCE PARKS
COMMISSION**

And Independent Auditor's Report thereon

Year ended March 31, 2019



KPMG LLP
863 Princess Street, Suite 400
Kingston ON K7L 5N4
Canada
Telephone 613-549-1550
Fax 613-549-6349

INDEPENDENT AUDITORS' REPORT

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

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, 2019
- 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 paragraphs, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, 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, 2019 and March 31, 2018
- 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, 2019 and March 31, 2018



- 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, 2019 and March 31, 2018
- the excess of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2019 and March 31, 2018

Our opinion on the financial statements for the year ended and March 31, 2019 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.

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' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

July 11, 2019

THE ST. LAWRENCE PARKS COMMISSION

Financial Statements

Year ended March 31, 2019

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Statement of Cash Flows	4
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THE ST. LAWRENCE PARKS COMMISSION

Statement of Financial Position

March 31, 2019, with comparative information for 2018
(In thousands of dollars)

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,457	\$ 8,012
Accounts receivable	571	2,037
Inventories	446	533
Prepaid expenses	114	94
	<u>12,588</u>	<u>10,676</u>
Tangible capital assets (note 3)	38,661	40,828
Deferred land costs (note 6)	41	41
	<u>\$ 51,290</u>	<u>\$ 51,545</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,101	\$ 2,928
Deferred contributions (note 4)	2,276	1,950
	<u>6,377</u>	<u>4,878</u>
Deferred contributions - tangible capital assets (note 5)	33,318	34,957
Due to the Province of Ontario (note 6)	300	300
Severance and future employee benefits (note 7)	981	1,102
Net assets:		
Unrestricted	3,558	3,558
Internally restricted (note 8)	6,756	6,750
	<u>10,314</u>	<u>10,308</u>
Commitments (note 14)		
	<u>\$ 51,290</u>	<u>\$ 51,545</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, 2019, with comparative information for 2018
(In thousands of dollars)

	Unrestricted	Internally restricted (note 8)	Total 2019	Total 2018
Operating revenue:				
Entrance receipts (note 12)	\$ 8,224	\$ –	\$ 8,224	\$ 9,635
Camping	4,078	–	4,078	3,749
Gross profit from retail operations (note 9)	695	–	695	901
Golf course	425	–	425	391
Concession and site	443	–	443	449
Sponsorships	106	–	106	150
Marina docking and storage	490	–	490	525
Investment income	177	–	177	79
Miscellaneous	99	5	104	168
	<u>14,737</u>	<u>5</u>	<u>14,742</u>	<u>16,047</u>
Operating expenses:				
Salaries, wages and benefits (note 11)	14,051	5	14,056	13,690
Services	4,610	46	4,656	5,291
Supplies and equipment	1,424	159	1,583	1,716
Transportation and communication	251	–	251	179
Amortization of tangible capital assets	4	826	830	886
Program distribution to United Way KFL&A (note 12)	735	–	735	1,221
Miscellaneous	15	–	15	17
	<u>21,090</u>	<u>1,036</u>	<u>22,126</u>	<u>23,000</u>
Other revenue (expenses):				
Provincial government funding:				
Operational	7,381	9	7,390	7,065
Refurbishment	4,399	–	4,399	4,250
Revitalization	1,288	–	1,288	1,346
Other funding	178	–	178	178
	<u>13,246</u>	<u>9</u>	<u>13,255</u>	<u>12,839</u>
Refurbishment:				
Expenses	2,274	–	2,274	2,408
Amortization of tangible capital assets	2,125	–	2,125	1,842
	<u>4,399</u>	<u>–</u>	<u>4,399</u>	<u>4,250</u>
Revitalization				
Amortization of tangible capital assets	1,288	–	1,288	1,346
Other expenses:				
Amortization of tangible capital assets	178	–	178	178
	<u>7,381</u>	<u>9</u>	<u>7,390</u>	<u>7,065</u>
Provincial government operational funding	7,381	9	7,390	7,065
Excess (deficiency) of revenue over expenses	\$ 1,028	\$ (1,022)	\$ 6	\$ 112

See accompanying notes to financial statements.

THE ST. LAWRENCE PARKS COMMISSION

Statement of Changes in Net Assets

Year ended March 31, 2019, with comparative information for 2018
(In thousands of dollars)

	Unrestricted	Internally restricted (note 8)	Total 2019	Total 2018
Balance, beginning of year	\$ 3,558	\$ 6,750	\$ 10,308	\$ 10,196
Excess (deficiency) of revenue over expenses	1,028	(1,022)	6	112
Internal transfer (note 8)	(1,028)	1,028	–	–
Balance, end of year	\$ 3,558	\$ 6,756	\$ 10,314	\$ 10,308

See accompanying notes to financial statements.

THE ST. LAWRENCE PARKS COMMISSION

Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018
(In thousands of dollars)

	2019	2018
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenses	\$ 6	\$ 112
Items not involving cash:		
Amortization of tangible capital assets	4,421	4,252
Amortization of deferred capital contributions	(5,887)	(5,411)
Change in non-cash operating working capital:		
Accounts receivable	1,466	583
Inventories	87	(132)
Prepaid expenses	(20)	13
Accounts payable and accrued liabilities	1,173	(283)
Deferred contributions	326	(294)
Severance and future employee benefits	(121)	286
	<u>1,451</u>	<u>(874)</u>
Financing activities:		
Deferred capital contributions	4,248	5,236
Investing activities:		
Acquisition of tangible capital assets	(2,254)	(3,561)
Increase in cash and cash equivalents	3,445	801
Cash and cash equivalents, beginning of year	8,012	7,211
Cash and cash equivalents, end of year	<u>\$ 11,457</u>	<u>\$ 8,012</u>

See accompanying notes to financial statements.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements

Year ended March 31, 2019
(In thousands of dollars)

1. Governing statutes:

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

2. Significant accounting policies:

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

(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.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2019
(In thousands of dollars)

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

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.

(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 ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2019
(In thousands of dollars)

2. Significant accounting policies (continued):

(d) Tangible capital assets (continued):

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.

(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. 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.

(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.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2019
(In thousands of dollars)

2. Significant accounting policies (continued):

(i) Financial instruments:

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

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.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2019
(In thousands of dollars)

3. Tangible capital assets:

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Buildings and other structures	\$ 20,275	\$ 4,484	\$ 15,791	\$ 16,090
Landhold improvements	13,200	3,824	9,376	9,706
Exhibits	7,139	4,978	2,161	2,888
Machinery, equipment and tools	4,501	2,985	1,516	1,791
Vehicles	5,029	3,426	1,603	1,531
Computer systems and licenses	3,249	2,601	648	711
Office furniture and equipment	1,839	1,564	275	315
Structures	11,897	4,880	7,017	7,796
Construction in progress	274	–	274	–
	<u>\$ 67,403</u>	<u>\$ 28,742</u>	<u>\$ 38,661</u>	<u>\$ 40,828</u>

Cost and accumulated amortization at March 31, 2018 amounted to \$65,144 and \$24,316, respectively.

4. Deferred contributions:

	2019	2018
Prepaid admissions and camping	\$ 1,867	\$ 1,490
Ministry of Tourism, Culture and Sport - funding for refurbishment:		
Balance, beginning of year	–	765
Contributions	4,249	4,922
Expenditures	(4,249)	(5,687)
Balance, end of year	–	–
Kingston Penitentiary Tours destination marketing (note 12)	409	460
	<u>\$ 2,276</u>	<u>\$ 1,950</u>

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2019
(In thousands of dollars)

5. Deferred contributions – tangible capital assets:

	2019	2018
Ministry of Tourism, Culture and Sport - funding for refurbishment:		
Balance, beginning of year	\$ 15,476	\$ 14,263
Contribution received in current year	4,248	5,031
Amortization	(4,392)	(3,818)
Balance, end of year	15,332	15,476
Ministry of Tourism, Culture and Sport - funding for revitalization:		
Balance, beginning of year	16,052	17,398
Amortization	(1,288)	(1,346)
Balance, end of year	14,764	16,052
Ministry of Tourism, Culture and Sport - infrastructure stimulus funding:		
Balance, beginning of year	3,293	3,471
Amortization	(178)	(178)
Balance, end of year	3,115	3,293
Celebrate Ontario:		
Balance, beginning of year	40	–
Contribution received in current year	–	44
Amortization	(9)	(4)
Balance, end of year	31	40
Bike infrastructure program:		
Balance, beginning of year	96	–
Contribution received in current year	–	106
Amortization	(20)	(10)
Balance, end of year	76	96
	\$ 33,318	\$ 34,957

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2019
(In thousands of dollars)

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 (2018 - \$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 are recognized in operations against related proceeds on sale.

7. Severance and future employee benefits:

	2019	2018
Severance accrual	\$ 592	\$ 638
WSIB benefit accrual	389	464
	\$ 981	\$ 1,102

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 \$1,022 from these restricted net assets.

The Board of Commissioners has approved the transfer of the 2019 net results of operations of \$1,028 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:

	2019	2018
Sales from retail operations	\$ 1,806	\$ 1,844
Cost of goods sold	(1,111)	(943)
Gross profit from retail operations	\$ 695	\$ 901

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2019
(In thousands of dollars)

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 \$279 (2018 - \$231) due to the Ministry of Finance in connection with payroll expenses and \$862 (2018 - \$Nil) due to the Ministry of Finance in connection with unspent capital funding.

During the year, the Commission paid a total of \$14,350 (2018 - \$13,627) in gross payroll expenses to the Ministry of Finance.

Included in Services expenditures is \$82 (2018 - \$364) paid to the Ministry of Finance for various services including advertising, pay stub printing, telephone chargebacks, legal services, environmental assessments, and licenses and \$12 (2018 - \$12) paid to the Ontario Provincial Police for security services.

During the year, the Commission paid the Ministry of Transportation \$207 (2018 - \$206) for the maintenance of the 1000 Islands Parkway which is included in Supplies and equipment expenses, and paid \$42 (2018 - \$42) to the Ministry of Finance for general liability insurance and provincial licenses.

During the year, the Commission recognized funding totaling \$13,246 (2018 - \$12,839) from the Ministry of Tourism, Culture and Sport, which is included in Provincial government funding.

During the year, the Commission paid the Ministry of Natural Resources \$Nil (2018 - \$10) for Learn to Fish program supplies which is included in Supplies and equipment expenses.

11. Pension plan:

The Commission's contribution to the PSP Plan and the OPSEU Pension Trust for the year ended March 31, 2019 was \$625 (2018 - \$569) and is included in salaries, wages and benefits on the Commission's statement of operations.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2019
(In thousands of dollars)

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 2018 Kingston Penitentiary tour program offering, the Commission has reflected in these 2019 financial statements program entrance receipts of \$2,904 (2018 - \$4,285), both direct and allocated incurred program costs of \$1,434 (2018 - \$1,843) for net receipts of \$1,470 (2018 - \$2,442) as the Commission carries the risks and rewards of this operation. Of the net receipts, the Commission has accrued \$735 (2018 - \$1,221) paid or payable to the United Way of Kingston, Frontenac, Lennox and Addington, representing one-half of the net program operating results as per the agreement. The remaining other one-half of the net program operating results of \$735 is a marketing contribution to be jointly agreed upon by the Commission and Tourism Kingston. During the year, \$326 in destination marketing costs were agreed upon and spent with the remaining \$409 included in deferred contributions on the statement of financial position until the parties jointly agree and spend their share of the surplus funds.

13. Remuneration of members:

Total remuneration of members of the Commission was \$6 (2018 - \$7).

14. Commitments:

(a) The Commission has entered into long-term lease agreements expiring on various dates between June 2019 and July 2021. Under the terms of these agreements, the minimum annual lease payments for the next two years are as follows:

2020	\$	13
2021		5
	\$	18

(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 \$210 for the forthcoming financial year.

THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2019
(In thousands of dollars)

15. Risk management:

(a) Credit risk:

The Commission is exposed to credit risk regarding the financial assets recognized on the statement of financial position. The Commission has determined that the financial asset with greater credit risk exposure is trade accounts receivable since failure of any of these parties to fulfil their obligations could result in 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 balance in the allowance for doubtful accounts at March 31, 2019 is \$85,000 (2018 - \$Nil).

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

(b) Liquidity risk:

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

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

There has been no change to the risk exposures from 2018.

16. Adoption of new accounting policies:

On April 1, 2018, the Commission adopted Canadian public sector accounting standard PS 3430 Restructuring transactions. The adoption of this standard did not result in an accounting policy change for the Commission, and did not result in any adjustments to the financial statements as at April 1, 2018.

17 Comparative information:

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

THE ST. LAWRENCE PARKS COMMISSION

Statement of Financial Position

March 31, 2019, with comparative information for 2018
(In thousands of dollars)


	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,457	\$ 8,012
Accounts receivable	571	2,037
Inventories	446	533
Prepaid expenses	114	94
	<u>12,588</u>	<u>10,676</u>
Tangible capital assets (note 3)	38,661	40,828
Deferred land costs (note 6)	41	41
	<u>\$ 51,290</u>	<u>\$ 51,545</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,101	\$ 2,928
Deferred contributions (note 4)	2,276	1,950
	<u>6,377</u>	<u>4,878</u>
Deferred contributions - tangible capital assets (note 5)	33,318	34,957
Due to the Province of Ontario (note 6)	300	300
Severance and future employee benefits (note 7)	981	1,102
Net assets:		
Unrestricted	3,558	3,558
Internally restricted (note 8)	6,756	6,750
	<u>10,314</u>	<u>10,308</u>
Commitments (note 14)		
	<u>\$ 51,290</u>	<u>\$ 51,545</u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Commissioners:

 Commissioner  Commissioner