



**Parks of the  
St. Lawrence**

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

## St. Lawrence Parks Commission



# ANNUAL REPORT

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# Message from the Chair

**T**he 2017/18 year presented the St. Lawrence Parks Commission (SLPC) with a mix of extraordinary challenges alongside tremendous successes. In total SLPC achieved \$16.047 million in revenue.

The partnership between SLPC and the City of Kingston and Correctional Service Canada for the operation of Kingston Penitentiary tours continued and saw growth in visitors from just under 60,000 in 2016 to over 105,000 in 2017. A new extended tour option quickly was a sell-out. In total, this new tourism product with SLPC as business developer and tour operator has been a huge success to the benefit of tourism in Kingston and the United Way of Kingston Frontenac Lennox & Addington. It generated an estimated economic benefit of approximately \$8.42 million for the city and surrounding area. This success has benefited tourism operators, hotels, retailers and others along the St. Lawrence River Corridor and created over 100 student and seasonal jobs.

One of the wettest and rainiest springs on record wreaked havoc with camping, golf and marina operations. The season saw higher than normal water levels in the St. Lawrence River all summer long and caused flooding in campgrounds and riverside facilities. The investment in more gravel pads for the campsites was timely and helped to mitigate potential lost business. Fortunately, spectacular fall weather allowed the recreational facilities to regain some of the lost business. Campgrounds reported a decrease in activity of 15% over 2016 while Upper Canada Golf Course decreased activity by 6% and Chrysler Park Marina showed a decline of 9% in activity.



Skywood Eco Adventure reported a 10% activity increase over 2016 in its first full year of operation. Operations at this vibrant and challenging aerial adventure park in the heart of the 1000 Islands are being fine-tuned to strike the right balance for consumers and the group and education market. It is an exciting new addition to the tourism portfolio in the St. Lawrence River corridor for SLPC.

The historic sites reported a very successful season. Upper Canada Village capitalized on celebrating Canada's sesquicentennial with a summer long theatre production, "Eve of Confederation", which played to sell out crowds. It was a high quality and authentic representation of Canada in 1867, which resonated with visitors. The Village reported a successful main season (excluding fall and winter special events) with activity 11% ahead of 2016.

Fort Henry revitalized the Sunset Ceremonies performance also with the addition of a theatrical component. The previous investments in visual technology has allowed Sunset Ceremonies to remain relevant and appealing to new audiences. Fort Henry reported a 14% growth in main season (excluding fall and winter special events) visitation.

Fall event Pumpkinferno exceeded all past performance hosting over 79,800 visitors over its 22 days of operation in October. This represented an increase of double the visitation of 39,700 in 2016 and played an important role in the SLPC's overall success in 2017. At Fort Henry, its fall event Fort Fright had one of its most successful seasons yet with 21,208 visitors, an 11% increase over 2016 levels. In both instances, weather played a role in boosting visitation.

While warm fall weather was a key driver of success, an extended period of record cold in December over the holidays had a negative impact on visitation for the SLPC's two winter events, Alight at Night at Upper Canada Village

and Lumina Borealis at Fort Henry. Attendance to Alight at Night fell short of 2016 (37,000) with 35,048 visitors while Lumina Borealis achieved approximately 24,339 visitors. Lumina Borealis has played an important role in delivering a unique winter experience that is driving tourism visits to the City of Kingston during the 'off-season' winter months.

In the past six years of my tenure as Chair, SLPC has had the honour of hosting two of Canada's Prime Ministers at events, the United States Ambassador to Canada, the Chinese Ambassador to Canada, the Chief Gunner of Her Majesty the Queen and the Battle Color Detachment of the United States Marine Corps, to mention a few.

I am proud of the efforts by the staff and management trying to expand, enhance and revitalize the SLPC's diverse facilities and experiences. In six years activity has grown from 1.99 million to 2.18 million an increase of 10% and revenue generated has increased from \$7.46 million in 2011/12 to \$16.047 million in 2017-18, a 115% increase.

I want to recognize the Board of Commissioners past and present and thank them for their volunteerism, for their stewardship of these important historic treasures and for their willingness to challenge the status quo to build a vibrant tourism product that are so important to the economy of southeastern Ontario.

Sincerely,



**Ian Wilson**, Chair  
ST. LAWRENCE PARKS COMMISSION



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In total, SLPC achieved  
**\$16.047**  
**MILLION**  
in revenue from 2017/18.

# Message from the Interim CEO

**The launch of the 2017/18 season presented the St. Lawrence Parks Commission operations with the challenge of record setting Lake Ontario flooding and excessive rainfall over an extended period of weeks in the spring and early summer. Despite this challenge, and with the country-wide celebration of Canada's 150<sup>th</sup> helping to boost interest in the historic sites, the SLPC reported total revenue of \$16.047 million for fiscal year 2017/18, an improvement of \$3.021 million over 2016/17. Net performance for the year was \$1.412 million compared to \$3.152 million for the prior year.**

SLPC achieves success first and foremost thanks to its people. Staff are committed and dedicated, from full-time to seasonal to contract to student employees. SLPC invested in health and safety training for all staff, and in leadership and communications training for management. As well, over the course of the year, SLPC revised all management position descriptions as part of the Management Job Evaluation Program (MJEP) initiated by the Government of Ontario, and updated multiple position descriptions.

In an effort to move towards incremental self-sufficiency, SLPC focused on achieving ambitious revenue and profit targets, in spite of the weather related challenges. Fort Henry total visitation (including fall and winter special events) declined by 20% and revenue by 9%, Upper Canada Village total visitation (including fall and winter special events) grew by 27% and revenue by 22%, Kingston Penitentiary visitation grew by 75% and admissions revenue by 172%. Major Historic Sites events results were mixed: Upper Canada Village's fall event Pumpkinferno saw visitation grow by 100% and admissions revenue by 123%, while Alight at Night visitation declined by 5% with admissions revenue growing by 1%. At Fort Henry, Fort Fright visitation grew by 11% and admissions revenue by 18%, while Lumina Borealis visitation declined by 58% and admissions revenue declined by 46%. Extreme cold weather negatively affected both Alight at Night and Lumina Borealis. Retail revenues increased for Upper Canada Village, Fort Henry and Parks and Beaches regular season, but declined for all other sites and events, during a year while there was not a manager dedicated solely to retail, which will be addressed for 2018/19.

The Parks and Recreational facilities were the most adversely affected by the rainy spring and early summer. Skywood Eco Adventure was challenged both by the poor weather and by new policies within some school boards disallowing ziplining as a school trip activity. This greatly impacted spring and fall activity and Skywood failed to meet budget, but did show an increase of 18% in admissions revenue over the partial previous year season. Parks and Beaches admission revenue declined by 2% in large measure due to flooding and inclement weather. Golf admissions revenue declined by 7%, while Marina revenues declined by 5%, again influenced by weather.

Throughout the year, SLPC focused on optimizing and balancing resources and profits, contributing \$1.412 million to the Internally Restricted Reserve by the end of the fiscal year.

For the second year in partnership with the City of Kingston and their relationship with Correctional Service Canada, SLPC delivered tours at Kingston Penitentiary, hosting over 105,000 visitors, compared to 59,693 in 2016 and generated an economic impact of approximately \$8.42 million. The addition of extended tours that took visitors into additional areas of the penitentiary was overwhelmingly successful. The tours delivered \$4.285 million in revenue, the net profit shared with 50% going to the United Way of Kingston, Frontenac, Lennox & Addington to support youth homelessness initiatives and 50% towards tourism and destination marketing initiatives led by Tourism Kingston and SLPC in partnership. Thanks in large measure to the Penitentiary Tours SLPC was able to invest more significantly in marketing this year. In particular, SLPC and Tourism Kingston invested in the acquisition of photography and video footage and editing of three commercials for use in spring 2018 in a "Where Am I?" campaign aligned to Destination Ontario marketing endeavours. SLPC and Tourism Kingston also invested in fall 2017 in a social media campaign. The new visual assets will also provide SLPC with high quality footage for numerous other campaigns and initiatives in future years. Finally, marketing has expanded its social media capacity, and launched a multi-year international marketing plan intended to attract more visitors from China, Japan, South Korea, United Kingdom and Germany.

Over the past several years, the SLPC has been actively maintaining its Asset Management Information System (AMIS) requirements list and investing its annual capital allocation in much needed remediation and repairs. The total required for Major Capital Projects has been estimated at well over \$20 million, in addition to annual requirements of about \$5 million or more a year, which was the amount invested in 2017-18.

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.

Finally, in 2017/18, the SLPC employed 456 Ontarians and, through its financial investment in southeastern Ontario, generated a \$82.98 million economic impact based on the Ministry of Tourism, Culture & Sport's Tourism Regional Economic Impact Model (TREIM). In 2017, SLPC refined its methodology for calculating visitor origins more accurately by business unit and this change resulted in a restating of the economic impact estimate for SLPC.

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 costs of managing and maintaining a broad-based operation with diverse and aging infrastructure. Over 2017-18 it has been a privilege to work with the St. Lawrence Parks Commission's talented management and teams. With the coming transition to a new permanent CEO, I would like to express my appreciation to all the staff, to Chair Ian Wilson and the Board of Commissioners, to the Deputy Minister and the Ministry of Tourism Culture and Sport staff, and the many community partners from Kingston to Cornwall, for their support throughout the year.

Sincerely,



**Ronald Holgerson**, Interim General Manager & CEO  
ST. LAWRENCE PARKS COMMISSION



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SLPC delivered tours at  
**Kingston Penitentiary**  
hosting over  
**105,000 visitors**

compared to **59,693** in 2016 and  
generated an economic impact  
of approximately **\$8.42** million.

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SLPC generated a  
**\$82.98 million**  
**economic impact**  
based on the Ministry of  
Tourism, Culture & Sport's  
Tourism Regional Economic  
Impact Model (TREIM).



# 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.

## 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.

## 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.



# Board of Commissioners

## CHAIR

### Ian Wilson

KINGSTON

Apr 18, 2012 – Apr 17, 2018  
2017/18 Remuneration: \$3,100

## VICE-CHAIR

### Linda Ann Daly

KINGSTON

Apr 24, 2013 – Aug 3, 2019  
2017/18 Remuneration: \$525

## COMMISSIONERS

### Margaret Fancy

MALLORYTOWN

Oct 23, 2013 – Nov 22, 2019  
2017/18 Remuneration: \$600

### Guy Tondreau

CORNWALL

Jun 28, 2017 – Jun 27, 2020  
2017/18 Remuneration: \$300

### John E. Fischl

BROCKVILLE

Sept 15, 2010 – Oct 25, 2017  
2017/18 Remuneration: \$450

### Linda Shanks

KINGSTON

Aug 31, 2017 – Aug 30, 2020  
2017/18 Remuneration: \$300

### James Garrah

GANANOQUE

Oct 30, 2013 – Oct 29, 2019  
2017/18 Remuneration: \$750

### Debora Daigle

CORNWALL

Jun 28, 2017 – Jun 27, 2020  
2017/18 Remuneration: \$300

### Robert Tchegus

KINGSTON

Apr 26, 2017 – Apr 25, 2020  
2017/18 Remuneration: \$450

# Senior Leadership Team

### Ronald Holgerson

Interim General Manager & CEO

### Robert Hamilton

Manager, Maintenance and Operations

### Mia Robertson

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

### Al Adibi

Director, Corporate Services

### Geoff Waycik

Director, Historic Sites

### Shannon Moulton

Human Resources Coordinator

### Dawn Ellis-Thornton

Manager, Fort Henry National Historic Site of Canada

### Steph Brown

Director, Marketing & Customer Experience (until January 8, 2018)

### Tracey Ogilby

Manager, Upper Canada Village

### Susan Le Clair

Acting Director, Marketing & Customer Experience (January 9, 2018)

### Jennifer Tarini

Director, Parks and Recreational Facilities



# Business Units

## UPPER CANADA VILLAGE

A focus on all things Canadian to mark the sesquicentennial played to the advantage of the historic sites including Upper Canada Village. Total activity for the core season of May-September (not including fall and winter special events) was 156,635 visitors, an increase of 11% over 2016. With the support of Ontario 150 funding (\$354,000), Upper Canada Village introduced "Eve of Confederation", an evening theatrical event that played to sell-out crowds and acclaim. A daytime component of the play provided entertaining vignettes throughout the Village, and served to entice visitors to return to see the evening performance. In June, the 10<sup>th</sup> annual Medieval Festival was attended by 10,600 visitors over three days surpassing prior year visits by almost 4,000 people. Youth camps proved popular, with the week-long Time Travellers camp selling out all 270 places.

Upper Canada Village continued efforts to increase its accessibility to all visitors. The Accessible History weekend in July offered multi-sensory living history demonstrations including sign language tours and tactile tours to cater to diverse visitor needs. In addition, ASD Sensory Friendly Sundays during July and August delivered an experience with a comfortable environment for visitors on the autism spectrum with sensory processing difficulties.

Pumpkinferno shattered all previous attendance records, hosting a total of 79,800 visitors over 22 nights of operation. Celebrate Ontario funding (\$97,750) supported the development of Canadian themed exhibits that delighted audiences. The exhibit "Our Nation's Nature" brought to life the trees, flowers and animals representing a stunning display of the symbols of all of Canada's territories and provinces. Others included a step back to the 17<sup>th</sup> century to see the fur trade come to life and the Northern Lights in a snowy Canadian Arctic night depicted by an Inukshuk, life-size polar bears and more in "The Great White North" display. The pièce de résistance for many visitors was the "Patriotic Pastimes" exhibit featuring Canada's most iconic and beloved sports from lacrosse to hockey, all brought to life in artistically carved pumpkin exhibits.

**The increase in Pumpkinferno attendance represented more visitors than were seen in the previous two years combined.**

The huge success of Pumpkinferno made a contribution of \$1.06 million to the SLPC bottom line and played an important role in helping to offset early season, weather related, losses. The positive economic impacts to the region were evident everywhere from restaurants full to capacity to local shopping malls bustling with visitors. The economic impact is estimated at \$10.2 million.

Upper Canada Village's iconic winter holiday event Alight at Night, saw visitation negatively impacted by the severely cold weather that arrived during the busy holiday season. Visits declined by 5%, while admissions revenue increased by 1% over 2016/17 performance.

Upper Canada  
Village



Total activity for the core season of May-September was

**156,635 visitors**

an increase of 11%  
over 2016.



## FORT HENRY

**Fort Henry saw total activity during its core season (not including fall and winter special events) of 59,756 visitors an increase of 14% over 2016.**

The Wednesday evening Sunset Ceremonies performed during July and August underwent a significant redesign to appeal to a broader audience and reported an impressive 51% increase in visits over the previous year. Other events that performed well included YGK Craft Beerfest hosting 3,606 visitors, an increase of 89% over prior year and the Annual Tattoo that increased its profitability by 34% (\$6,500) over 2016. The launch of the Lower Fort Canteen featuring fresh-baked goods in the historic bakery was well-received and generated \$15,000 in new revenues. Chill on the Hill, featuring Rascal Flatts, Aaron Pritchett and Meghan Patrick welcomed 3,474 guests.



**Fort Fright's most successful season yet**  
**21,208 visitors**  
**in 23 nights**  
**11% increase & 20% revenue increase over 2016.**



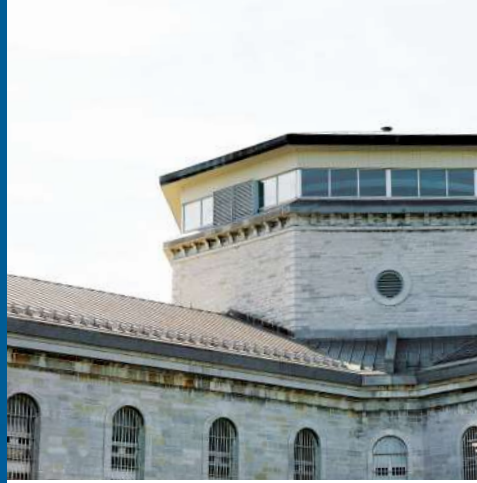
Fort Henry continues to seek new ways to engage with visitors and it launched Sensory Sundays in August offering modified programming for visitors on the autism spectrum. Mandarin language tours were introduced in July to meet the demand from the growing number of Chinese visitors and to respond to SLPC's efforts to attract more visitors from China.

In the fall, Fort Fright launched its 10<sup>th</sup> season with a revamped, spine-tingling theme based on a nightmare. Improved visitor flow with a new timed entry ticketing system helped to manage crowds and capacity and a new Thriller Thursdays discount pricing helped Fort Fright to report its most successful season yet with over 21,208 visitors over just 23 nights of operation, an increase of 11% and 20% in revenue compared to 2016.

Fort Henry quickly transitioned from the fall to its second season of one of Canada's most unique winter events Lumina Borealis. Lumina Borealis is a multi-media, night-time winter experience where visitors embark on a magical self-guided walking tour through an interactive experience that culminates in a grand finale. New experience additions included more warming areas, snow factory, Borealis Bakery, winter market and more, all to increase visitor enjoyment and engagement. Performance in the early part of the season was on par with 2016, however overall activity dropped by 58% to 24,339 visitors and revenue declined by 43% due to the extremely cold temperatures during the busiest holiday period, January and February.

# KINGSTON PENITENTIARY TOURS

The popularity of Kingston Penitentiary tours continued with over 105,000 visitors through the gates, an increase of 75% (45,307) over 2016. Tours ran from early May through October on a 6 days per week schedule in the shoulder seasons and daily during July and August.



Over **105,000** visitors through the gates, **an increase of 75% over 2016.**

Tours launched with a reanimation of the Aboriginal Grounds arranged by Correctional Service Canada with the aid of Indigenous offenders on work release to rebuild a Teepee, Sweat-lodge and fire pit and there was a complete refurbishing of G-Range cells. In addition to 60 students and 10 seasonal staff, 30 retired correctional services workers were employed to provide added commentary on the guided tours. A limited inventory of walk-up tickets were available each day for guests who were unable to secure advance tickets.

In addition to the popular 1.5 hours long Standard Tour, a new expanded 2.5 hour Premium Tour was added taking visitors into additional areas of the penitentiary. The new tour was developed in response to the keen interest of visitors wishing to see more areas of the penitentiary. The Premium Tours consisted of smaller group size (up to 12 people), allowed for more informal interactions with the retired Correctional Service Canada staff stationed at 6 posts throughout the prison. The new tours brought together historic, architectural and criminological components to the tours to create an overall more in-depth and immersive experience for visitors. Available just twice daily, tickets to the new tour were sold-out within hours. As a result of the demand for the Premium Tours, approximately 7,000 undersold Standard Tour times were converted to Premium Tours to try to meet demand.

SLPC worked with Kingston Accommodation Partners who promoted the tours and offered overnight packages at a number of accommodations in Kingston.

Kingston Penitentiary Tours were delivered through a partnership between the City of Kingston, Correctional Service of Canada and the SLPC. Net proceeds of the tours support tourism and destination marketing initiatives as well as to support youth homelessness initiatives through the United Way of Kingston, Frontenac, Lennox & Addington. \$1.2 million of the net profits was shared between SLPC and Tourism Kingston and \$1.2 million went to the United Way.



# PARKS & RECREATIONAL FACILITIES

The Parks and Recreational Facilities division encompasses eight campgrounds and six beaches, two scenic parkways (Long Sault and 1000 Islands Parkway), Skywood Eco Adventure, Upper Canada Golf Course and Chrysler Park Marina. These popular assets are stretched across 200 kms of the SLPC's land holdings from the 1000 Islands to near the Quebec border. SLPC investments in campgrounds in response to market demand continues to provide the greatest opportunity to generate net gains and business growth.

SLPC implemented a major forest management plan across its parks assets in public areas with trees that potentially pose a threat to public safety. Public consultations were held to respond to local questions and concerns and SLPC further hired an independent Master Arborist to complete an assessment of the recommendations contained in the forest management plan. Many of the trees in the SLPC's tree canopy were planted over 60 years ago during the construction of the St. Lawrence Seaway and Power Development Project and have reached their life expectancy. Public safety is fundamental to SLPC as is the stewardship obligation of its lands and surrounding environment, and forestry management is essential to safety.

SLPC conducted a competitive Request for Proposal for the operation of Grenville Park, a campground in the Edwardsburgh-Cardinal area that has been operated by a 3<sup>rd</sup> party for many years. Following a comprehensive process, a new operator was selected for the park and 2017 was their first year of operation. Due to the extreme amount of rainfall and high water levels, part of the park was flooded and it was a challenging first season for the new operator.

8 

campgrounds

6 

beaches

 2 scenic parkways

Long Sault & 1000 Islands Parkway

stretched across 200 kms



## Campgrounds & Beaches

The excessive rain in spring and early summer caused flooding in the campgrounds and as a result closed sites, damaged roads and two septic beds which had a catastrophic failure. In total more than 230 (14.6%) campsites were rendered unusable for most of the season. Beaches and campground roadways sustained significant washouts. Activity declined by 15% or 26,000 camper nights. Septic bed refurbishment is now in the planning stages.



## Crysler Park Marina

Crysler Park Marina, with 256 docks, ended the season with a 9% decline in activity. The transition from a paper process to digital point of sale and reservation system successfully implemented phase 1.

The marina's RV campsites and cabins were added to the campground reservation system so that campers can now book online 24/7. The inclusion of the camping amenities in the reservation system will also provide greater awareness and increase occupancy.



## Upper Canada Golf Course

A new food and beverage provider, O'Neil's on the Green was secured just in time for the opening of the season and the clubhouse received a fresh new look with new paint. Both were met with excellent customer feedback.

The Special Olympics hosted a golf tournament with over 110 participants and raised \$25,000. Thanks to magnificent fall weather, Upper Canada Golf Course offset early season losses and closed the season with a 6% decline in activity over 2016/17.



## Skywood Eco Adventure

The 2017/18 season was Skywood's first full season of operation. It achieved a 10% increase in visitation over 2016/17 and implemented operational changes partway through the season to boost revenue and profitability. Customer flow was reviewed and changes implemented to streamline and reduce wait times. Smart scheduling of staff time also allowed the park to optimize staffing to match customer demand.

Skywood continues to work with area school boards and tour operators to develop the education and group market for spring and fall business.

# Corporate Services

The SLPC completed a competitive Request for Proposal process to secure the services of a new auditor for 2017/18 fiscal year and beyond. As a result, KPMG was selected to provide the required audit services.

In fall of 2017, Canada Revenue Agency completed an HST audit. This audit was completed successfully and timely with no identified issues.

## **SLPC continues to look for ways to be more efficient and cost effective.**

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Optimization and automation of business processes continues to be a focus within Corporate Services. Several projects were implemented including the initial system setup for procurement, payable and e-expense automation. The Sage HRMS and Sage Payroll were integrated and data optimization completed to improve information flow for human resources and payroll operations. As well, automated time and attendance system (Insperity) was also integrated into Sage HRMS, again providing better information flow for staff time reporting and payroll.

In two instances, service fees were renegotiated to lower rates for both bank services and online payment services. With the rapidly growing volume of online fees for credit and debit card transactions, a reduction in processing and monthly fees is important in efforts to contain rising costs.

The information technology network was expanded to include Skywood and Brown's Bay wireless and Crysler 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

**In 2017, SLPC refocused efforts on the travel trade market following an absence of several years. SLPC attended Rendez-Vous Canada and hosted a Destination Canada Mega Familiarization Tour with 29 international operators who visited Fort Henry and Kingston Penitentiary.**

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Regular social media contests increased engagements and reach. Three Facebook contests created over 562,600 impressions and over 4,800 entries. The new Eve of Confederation theatrical event at Upper Canada Village generated 4+ million impressions on the Village page and paid social media resulted in 1.8 million impressions on Facebook. Recognizing the importance of social media marketing, SLPC added a second Social Media and Web Administrator position to focus on Parks and Recreational facilities experiences.

The Customer Service team saw a 14% increase in inquiries via email and chat and a 7% higher call volume over 2016.

The provision of destination tourism funding from the net proceeds of Kingston Penitentiary tours allowed the SLPC to partner with Tourism Kingston and Destination Ontario for the development of a major "Where Am I?" advertising campaign.

The first part of the campaign which rolled out in fall 2017 was very successful with the digital campaign delivering 18.5 million impressions to 9 million unique viewers, generating 36,779 clicks and it drove an overall Click through Rate (CTR) of 0.20%. PHD Programmatic delivered reach and scale serving 55% of planned native impressions to unique users, and 74% of video impressions to unique viewers. The Paid Social component of the campaign generated 31,431 link clicks overall resulting in a CTR of 0.84% - well above the industry benchmark rate of 0.38%. The campaign exceeded the historical engagement rate benchmarks of 0.54%, generating an exceptionally high engagement rate of 6.08% - largely due to the use of video creative, which is typically much more engaging.

Videos performed much better than Images overall with a much higher engagement rate of 8.08% against images being just above the average of 0.77%. Male users generated 33% more clicks than females over the course the campaign. Mobile devices were the main reach-driver with more than 95% of reach being served via users on mobile. A second and more comprehensive campaign that includes television and digital strategies will roll out in spring of 2018, with the aim of generating increased awareness and launch the tourism season.

A benefit of the creation of the **"Where Am I" campaign** is the acquisition of high quality video and photography assets.

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SLPC has excellent visual assets that will be used over the coming years in a number of capacities from social media, to website to advertising campaigns.

# Business Objectives

## CORE PRINCIPLES, VALUES & BELIEFS

- ▶ Success must be achieved through excellence in the presentation and promotion of quality attractions and facilities and high private sector-calibre retail establishments which complement rather than compete with the private sector.

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- ▶ 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.

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- ▶ Its greatest future strength must be built upon leadership and motivated people, with Commissioners, staff and communities working together.

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- ▶ SLPC is committed to responding to the needs of its visitors through service and courtesy.

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- ▶ SLPC is dedicated to communicating effectively with visitors, staff, community leaders, associations, private tourism operators and the Ministry of Tourism, Culture and Sport.

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- ▶ 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.

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- ▶ SLPC is committed to responsible and ethical management of its attractions, facilities and services.

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- ▶ 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.

## Staffing Levels

STAFFING SUMMARY	2017 2018	2016 2017
<b>Regular Full-time</b>	41	34
<b>Regular Part-time</b>	12	14
<b>Seasonal</b> averaging 5-6 months per year	154	156
<b>Student</b> averaging 4 months per year	252	252
<b>Total Staffing Levels</b>	<b>459</b>	<b>456</b>

# Strategic Pillars

## 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.

## 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.

## 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.

## 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.

## 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.

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

# Attraction Activity Performance

Note: Amounts are in thousands (‘000)

ATTRACTION	2017 2018	2016 2017	2017 2018 vs	2016 2017	2015 2016
<b>Fort Henry</b> admissions/rentals	126	157	(31)	(20) %	101
<b>Upper Canada Village</b> admissions/rentals	270	213	57	27 %	220
<b>Parks</b> nights/admissions	142	168	(26)	(15) %	144
<b>Upper Canada Golf Course</b> rounds/rentals	17	18	(1)	(6) %	16
<b>Skywood Eco Adventure Park</b> admissions	11	10	1	10 %	0
<b>Kingston Pen Tours</b> admissions	105	60	45	75 %	0
<b>Total excluding Chrysler Park Marina</b>	<b>671</b>	<b>626</b>	<b>45</b>	<b>7</b>	<b>481</b>
<b>Crysler Park Marina</b> docked/stored linear ft	1,508	1,666	(158)	(9)	1,647
<b>Total including Chrysler Park Marina</b>	<b>2,179</b>	<b>2,292</b>	<b>(113)</b>	<b>(5)</b>	<b>2,128</b>



# Financial Performance

## OPERATIONS

In 2017/18, the SLPC generated \$16.047 million in revenue from operations, realizing an improvement of \$3.021 million over 2016/17. Included above, Kingston Penitentiary Tours operations generated \$4.285 million.

The SLPC received a provincial government operating grant in the amount of \$6.623 million from the Ministry of Tourism, Culture and Sport which was reduced by \$500,000 from \$7.123 million in the previous year. Other funding included Celebrate Ontario grants totalling \$97,750, and the Student Experience Program for \$65,538.

The SLPC disbursed \$769,000 from its internally restricted reserve for strategic priority projects (e.g. Lumina Borealis, Skywood Eco Adventure Park, Pumpkinferno, Camper Cabins, Chill on the Hill concert series, video footage, and electrical retrofits to reduce costs). It's important to note that the internally restricted reserve is the SLPC's only option for internal investment to add new and to 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, 14 beaches 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.

The SLPC's amortized capital assets, excluding land and roads, are valued at \$40.8 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 2017/18, the SLPC received \$5.041 million in capital funding from the ministry, and directed funds to a number of high priority projects, including a \$120,000 grant to enhance cyclist amenities along the waterfront trail. 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.

## Procurement Activity

The chart below shows the volume of procurement activity during 2017/18, including number of purchase orders issued and associated dollar value.

	Q1		Q2		Q3		Q4		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
<b>Operating</b>	551	2,037,143	375	1,927,295	222	1,511,741	131	725,327	1,279	6,201,507
<b>Capital</b>	132	1,287,622	116	226,859	117	1,156,023	217	2,357,360	582	5,027,864
<b>IRR</b>	19	902,238	39	432,900	5	62,781	6	54,516	69	1,452,435
<b>KP</b>	36	629,979	25	591,020	6	130,807	4	122,087	71	1,473,893
<b>Total</b>	738	4,856,982	555	3,178,073	350	2,861,352	358	3,259,291	2,001	14,155,698

Note: Expenses do not include salaries and benefits, or United Way distribution.

# 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.



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**Ronald Holgerson**

Interim General Manager & CEO  
ST. LAWRENCE PARKS COMMISSION



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**Al Adibi**

Director, Corporate Services  
ST. LAWRENCE PARKS COMMISSION



**St. Lawrence  
Parks Commission**

**FINANCIAL  
STATEMENTS**

Year ended March 31, 2018

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22	Statement of Changes in Net Assets
23	Statement of Cash Flow
24	Notes to Financial Statements



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

We have audited the accompanying financial statements of the St. Lawrence Parks Commission, which comprise the statement of financial position as at March 31, 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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 accounting standards for not-for-profit organizations, 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.

### *Auditors' 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 our 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, we consider 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 2018 and 2017 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, 2018, and its results of operations, its cash flows and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

*Other Matter:*

The financial statements of the St. Lawrence Parks Commission as at and for the year ended March 31, 2017 were audited by another auditor who expressed a qualified opinion as described in the Basis for Qualified Opinion paragraph above, on those financial statements on June 28, 2017.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 21, 2018

# THE ST. LAWRENCE PARKS COMMISSION

## Statement of Financial Position

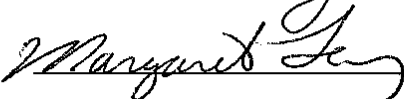
March 31, 2018, with comparative information for 2017  
(In thousands of dollars)

	2018	2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 8,012	\$ 7,211
Accounts receivable	2,037	2,617
Inventories	533	401
Prepaid expenses	94	107
	<u>10,676</u>	<u>10,336</u>
Tangible capital assets (note 3)	40,828	41,521
Deferred land costs (note 6)	41	41
	<u>\$ 51,545</u>	<u>\$ 51,898</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,928	\$ 3,211
Deferred contributions (note 4)	1,950	2,244
	<u>4,878</u>	<u>5,455</u>
Deferred contributions – tangible capital assets (note 5)	34,957	35,132
Due to the Province of Ontario (note 6)	300	300
Severance and future employee benefits (note 7)	1,102	815
Net assets:		
Unrestricted	3,558	3,558
Internally restricted (note 8)	6,750	6,638
	<u>10,308</u>	<u>10,196</u>
Commitments (note 14)		
	<u>\$ 51,545</u>	<u>\$ 51,898</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, 2018, with comparative information for 2017  
(In thousands of dollars)

	Unrestricted	Internally restricted (note 8)	Total 2018	Total 2017
<b>Operating revenue:</b>				
Entrance receipts (note 12)	\$ 9,214	\$ 344	\$ 9,558	\$ 6,278
Camping	3,749	—	3,749	3,857
Gross profit from retail operations (note 9)	978	—	978	905
Golf course	391	—	391	409
Concession and site	449	—	449	468
Sponsorships	150	—	150	227
Marina docking and storage	525	—	525	558
Investment income	79	—	79	70
Miscellaneous	149	19	168	254
	15,684	363	16,047	13,026
<b>Operating expenses:</b>				
Salaries, wages and benefits (note 11)	13,544	146	13,690	11,730
Services	4,873	418	5,291	4,804
Supplies and equipment	1,497	219	1,716	1,724
Transportation and communication	179	—	179	119
Amortization of tangible capital assets	6	880	886	793
Tangible capital assets maintenance	—	—	—	90
Program distribution to United Way KFL&A (note 12)	1,221	—	1,221	322
Miscellaneous	17	—	17	15
	21,337	1,663	23,000	19,597
<b>Other revenue (expenses):</b>				
Provincial government funding:				
Operational	7,065	—	7,065	7,522
Refurbishment	4,250	—	4,250	5,442
Revitalization	1,346	—	1,346	1,500
Other funding	178	—	178	178
	12,839	—	12,839	14,642
Refurbishment:				
Expenses	2,408	—	2,408	3,847
Amortization of tangible capital assets	1,842	—	1,842	1,606
	4,250	—	4,250	5,453
Revitalization				
Amortization of tangible capital assets	1,346	—	1,346	1,500
Other expenses:				
Amortization of tangible capital assets	178	—	178	178
Provincial government operational funding	7,065	—	7,065	7,511
<b>Excess (deficiency) of revenue over expenses</b>				
	\$ 1,412	\$ (1,300)	\$ 112	\$ 940

See accompanying notes to financial statements.

# THE ST. LAWRENCE PARKS COMMISSION

## Statement of Changes in Net Assets

Year ended March 31, 2018, with comparative information for 2017  
(In thousands of dollars)

	Unrestricted	Internally restricted (note 8)	Total 2018	Total 2017
Balance, beginning of year	\$ 3,558	\$ 6,638	\$ 10,196	\$ 9,256
Excess (deficiency) of revenue over expenses	1,412	(1,300)	112	940
Internal transfer (note 8)	(1,412)	1,412	-	-
Balance, end of year	\$ 3,558	\$ 6,750	\$ 10,308	\$ 10,196

See accompanying notes to financial statements.



# THE ST. LAWRENCE PARKS COMMISSION

## Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017  
(In thousands of dollars)

	2018	2017
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenses	\$ 112	\$ 940
Items not involving cash:		
Amortization of tangible capital assets	4,252	4,077
Amortization of deferred capital contributions	(5,411)	(3,473)
Gain on disposal of tangible capital assets	-	(53)
Change in non-cash operating working capital:		
Accounts receivable	583	(681)
Inventories	(132)	(26)
Prepaid expenses	13	8
Accounts payable and accrued liabilities	(283)	1,268
Deferred contributions	(294)	859
Severance and future employee benefits	286	(144)
	(874)	2,775
Financing activities:		
Deferred capital contributions	5,236	2,454
Investing activities:		
Acquisition of tangible capital assets	(3,561)	(4,751)
Disposal of tangible capital assets	-	105
	(3,561)	(4,646)
Increase in cash and cash equivalents	801	583
Cash and cash equivalents, beginning of year	7,211	6,628
Cash and cash equivalents, end of year	\$ 8,012	\$ 7,211

See accompanying notes to financial statements.

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements

Year ended March 31, 2018  
(In thousands of dollars)

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## 1. Governing statutes:

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

## 2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian public sector accounting standards in the Chartered Professional Accountants of Canada (CPA) Handbook. The Commission has elected to apply the accounting standard recommendations applicable solely to government not-for-profit organizations in Sections PS 4200 to PS 4270 of the 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, 2018  
(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, 2018  
(In thousands of dollars)

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## 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). 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, 2018  
(In thousands of dollars)

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## 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, 2018  
(In thousands of dollars)

### 3. Tangible capital assets:

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Buildings and other structures	\$ 19,855	\$ 3,765	\$ 16,090	\$ 16,432
Landhold improvements	12,914	3,208	9,706	9,973
Exhibits	7,139	4,251	2,888	3,609
Machinery, equipment and tools	4,327	2,536	1,791	1,938
Vehicles	4,480	2,949	1,531	1,447
Computer systems and licenses	3,041	2,330	711	729
Office furniture and equipment	1,797	1,482	315	169
Structures	11,591	3,795	7,796	6,657
Construction in progress	–	–	–	567
	<u>\$ 65,144</u>	<u>\$ 24,316</u>	<u>\$ 40,828</u>	<u>\$ 41,521</u>

Cost and accumulated amortization at March 31, 2017 amounted to \$61,584 and \$20,063, respectively.

### 4. Deferred contributions:

	2018	2017
Prepaid admissions and camping	\$ 1,490	\$ 1,479
Ministry of Tourism, Culture and Sport - funding for refurbishment:		
Balance, beginning of year	765	–
Contributions	4,922	7,001
Expenditures	(5,687)	(6,236)
Balance, end of year	–	765
Kingston Penitentiary Tours destination marketing (note 12)	460	–
	<u>\$ 1,950</u>	<u>\$ 2,244</u>

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2018  
(In thousands of dollars)

## 5. Deferred contributions – tangible capital assets:

	2018	2017
Ministry of Tourism, Culture and Sport - funding for refurbishment:		
Balance, beginning of year	\$ 14,263	\$ 13,505
Tangible capital additions	3,055	2,364
Amortization	(1,842)	(1,606)
Balance, end of year	15,476	14,263
Ministry of Tourism, Culture and Sport - funding for revitalization:		
Balance, beginning of year	17,398	18,898
Amortization	(1,346)	(1,500)
Balance, end of year	16,052	17,398
Ministry of Tourism, Culture and Sport - infrastructure stimulus funding:		
Balance, beginning of year	3,471	3,649
Amortization	(178)	(178)
Balance, end of year	3,293	3,471
Celebrate Ontario:		
Balance, beginning of year	–	99
Tangible capital additions	44	90
Amortization	(4)	(189)
Balance, end of year	40	–
Bike infrastructure program:		
Balance, beginning of year	–	–
Tangible capital additions	106	–
Amortization	(10)	–
Balance, end of year	96	–
	\$ 34,957	\$ 35,132

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2018  
(In thousands of dollars)

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## 6. Due to Province:

On February 6, 2013, the Commission received one-time funding to support a land sales initiative program being currently undertaken with Ontario Infrastructure and Lands Corporation. This funding 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 (2017 - \$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:

	2018	2017
Severance accrual	\$ 638	\$ 608
WSIB benefit accrual	464	207
	\$ 1,102	\$ 815

## 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 \$1,300 from these restricted net assets.

The Board of Commissioners has approved the transfer of the 2018 net results of operations of \$1,412 to the Commission's Internally Restricted Reserve fund, for investment in programs and projects that will best contribute to the financial sustainability of future and ongoing operations.



# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2018  
(In thousands of dollars)

## 9. Gross profit from retail operations:

Retail gross profit is comprised of:

	2018	2017
Sales from retail operations	\$ 1,844	\$ 1,833
Cost of goods sold	(866)	(928)
Gross profit from retail operations	\$ 978	\$ 905

## 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 \$231 (2017 - \$312) due to the Ministry of Finance in connection with payroll expenses.

During the year, the Commission paid a total of \$13,627 (2017 - \$12,631) in gross payroll expenses to the Ministry of Finance.

Included in Services expenditures is \$364 (2017 - \$77) paid to the Ministry of Finance for various services including advertising, pay stub printing, telephone chargebacks, legal services, environmental assessments, and licenses and \$12 (2017 - \$13) paid to the Ontario Provincial Police for security services.

During the year, the Commission paid the Ministry of Transportation \$206 (2017 - \$231) for the maintenance of the 1000 Islands Parkway which is included in Supplies and equipment expenses, and paid \$42 (2017 - \$40) to the Ministry of Finance for general liability insurance and provincial licenses.

During the year, the Commission recognized funding totaling \$12,839 (2017 - \$14,328) 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 \$10 (2017 - \$Nil) for Learn to Fish program supplies which is included in Supplies and equipment expenses.

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2018  
(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, 2018 was \$569 (2017 - \$546) 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 2017 Kingston Penitentiary tour program offering, the Commission has reflected in these 2018 financial statements program entrance receipts of \$4,285 (2017 - \$1,511), both direct and allocated incurred program costs of \$1,843 (2017 - \$867) for net receipts of \$2,442 (2017 - \$644) as the Commission carries the risks and rewards of this operation. Of the net receipts, the Commission has accrued \$1,221 (2017 - \$322) 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 \$1,221 is a marketing contribution to be jointly agreed upon by the Commission and Tourism Kingston. During the year, \$761 in destination marketing costs were agreed upon and spent with the remaining \$460 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 \$7 (2017 - \$6).

## 14. Commitments:

(a) The Commission has entered into long-term lease agreements expiring on various dates between October 2018 and July 2021. Under the terms of these agreements, the minimum annual lease payments for the next four years are as follows:

2019	\$	43
2020		44
2021		13
2022		4
		<hr/>
		\$ 104

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2018  
(In thousands of dollars)

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## 14. Commitments (continued):

- (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 \$207 for the forthcoming financial year.

## 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, 2018 is \$Nil (2017 - \$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 2017.

# THE ST. LAWRENCE PARKS COMMISSION

Notes to Financial Statements (continued)

Year ended March 31, 2018  
(In thousands of dollars)

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## **16. Adoption of new accounting policies:**

On April 1, 2017, the Commission adopted Canadian public sector accounting standards PS 2200 Related party disclosures, PS 3420 Inter-entity transactions, PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual rights. The adoption of these standards 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, 2017.