



Annual Report 2018/2019

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The Niagara Parks Commission Our Role & Mandate

Niagara is a region steeped in history and blessed by geography. As steward of one of the world's greatest natural wonders, The Niagara Parks Commission plays a key role in maintaining, protecting and showcasing the grandeur of the Falls, as well as the whole Niagara River corridor, while contributing to the economic growth and success of the Niagara region and Ontario.

As a self-funded agency of the provincial government, Niagara Parks is responsible for the maintenance of 1,325 hectares of parkland, stretching some 56 kilometres along the Niagara River corridor from Lake Erie to Lake Ontario.

Our mandate remains the same as it was when the Commission was first established in 1885: to preserve and promote the natural beauty and cultural heritage along the Niagara River corridor for the enjoyment of visitors while maintaining financial self-sufficiency.

The Commissioners

Janice Thomson, Chair	Appointed Chair November 16, 2011 Term expired November 15, 2018
Sandie Bellows, Chair	Appointed Commissioner October 17, 2018 Appointed Chair January 17, 2019 Term expires September 16, 2021
Joan Andrew, Vice Chair	Appointed Vice Chair December 5, 2012, term expired December 31, 2018
April Jeffs, Vice Chair	Appointed Vice Chair January 31, 2019 Term expires January 30, 2022
Eldon Bennett, Commissioner	Appointed May 10, 2017 Term expires May 9, 2020
Sylvie Chartrand-Rafi, Commissioner	Appointed March 21, 2018 Term expires March 20, 2021
Graham Coveney, Commissioner	Appointed February 28, 2019 Term expires February 27, 2022
Pat Darte, Commissioner	(Town of Niagara-on-the-Lake nominee) Appointed February 25, 2015 Term expired November 30, 2018
James Detenbeck, Commissioner	Appointed August 1, 2012 Term expired September 15, 2018
Jim Diodati, Commissioner	(Regional Municipality of Niagara nominee) Appointed February 25, 2015 Term expires November 30, 2019
Betty Disero, Commissioner	(Town of Niagara-on-the-Lake nominee) Appointed February 21, 2019 Term expires November 30, 2019
Lois Anne Giles, Commissioner	Appointed June 20, 2012 Term expires July 19, 2019
Vincent Kerrio, Commissioner	(City of Niagara Falls nominee) Appointed April 18, 2007 Term expires November 30, 2019

Ian Nielsen-Jones, Commissioner	Appointed June 20, 2012 Term expires November 1, 2019
Kerry Pond, Commissioner	Appointed March 1, 2012 Term expired September 15, 2018
Wayne Redekop, Commissioner	(Town of Fort Erie nominee) Appointed February 25, 2015 Term expires November 30, 2019

A Message from the Chair

Having been appointed Chair of The Niagara Parks Commission in January of 2019, it is my pleasure to present the 2018/2019 Annual Report on behalf of the dedicated staff and board members who serve this organization.

Since its inception in 1885, Niagara Parks has been mandated to preserve and protect the lands along the Niagara River corridor from Lake Erie to Lake Ontario. As the environmental and cultural stewards of this world-renowned parkland characterized by spectacular natural elements including the Niagara Glen, the Niagara River Gorge, and the Canadian Horseshoe Falls, it is Niagara Parks' responsibility to ensure the protection of these sites and lands while contributing to the economic growth and success of both the Niagara region and the province.

As the year 2018 came to a close, so too did the first year of our 10-Year Strategic Plan, which will guide Niagara Parks through 2028. The Strategic Plan reaffirms Niagara Parks' historic mandate while setting ambitious goals for the organization that will see it become an innovative example of sustainability; a welcoming, accessible and inspiring place offering world-class experiences; a source of national pride and identity; and one of the most spectacular parks in the world.

Throughout 2018/19, Niagara Parks initiated new programming and events, investments, and projects, all guided by the vision, goals, and themes set out in the Strategic Plan.

Environmental stewardship continued to be at the forefront of the organization with the creation of an official environmental stewardship strategy. Focusing on areas such as urban forestry management, preservation of the Niagara River shoreline, and supporting endangered species, the strategy also formalizes partnerships with other organizations, such as Brock University. An official Memorandum of Understanding was signed in April 2018 to recognize the partnership between Niagara Parks and the Environmental Sustainability Research Centre of Brock University to support and enhance the stewardship practices of both organizations.

In addition to its environmental responsibilities, Niagara Parks also introduced programming and events to help support its role as the cultural stewards of the Niagara River corridor. In August 2018, Niagara Parks invited the public to commemorate the 100th anniversary of the Old Scow and the heroic rescue that took place, which is forever entrenched in the folklore of Niagara Falls.

Building on our annual summer music series, Niagara Parks partnered with another Canadian cultural organization, Polaris Music Prize, to highlight diverse Canadian artists previously recognized by Polaris with free concerts every Saturday night throughout the summer. As well, the return of the popular literary speaker series at Laura Secord Homestead introduced four new Canadian female authors for the 2018 iteration of the series, entitled Coast to Coast: Canada's Diverse Voices.

The 2018/2019 fiscal year can be characterized as one of continued growth, as Niagara Parks moved to implement the goals set out in the Strategic Plan. This plan has seen the significant reinvestment of financial returns generated during the year, to both address deferred capital

maintenance needs, and most importantly, to invest in projects and programs designed to enhance the visitor experience and relevance of Niagara Parks as a global tourism destination.

Niagara Parks undertook major investments to key guest experiences within the Queen Victoria Park area, as well as investments to capital infrastructure and deferred maintenance across the Parks. The Grand View Marketplace was identified as a primary Niagara Parks facility in need of upgrades and extensive renovations were completed to fully update this important site which has seen a substantial growth in visitation over the past several years. In addition, Niagara Parks officially began construction on the first phase of its multi-million-dollar Table Rock Redevelopment project to renew and enhance the retail and culinary offerings at this iconic tourism destination and major revenue-generating facility.

Looking forward, I am excited to see progress being made on several of the ambitious goals set within the Strategic Plan, as we continue to reinvest in the Park system to grow our tourism offerings, all while maintaining our role as both the environmental and cultural steward over the lands we are mandated to protect.

I am tremendously honoured to have been appointed as Chair of The Niagara Parks Commission, and I would like to congratulate those new Board members on their appointments. I especially want to thank those returning and retiring board members for the incredible guidance and stewardship efforts they have made throughout the years.

I would also like to congratulate David Adames on his appointment as Chief Executive Officer for Niagara Parks. With this leadership team, and the continued efforts of our dedicated staff, I am confident we will work together to continually strive toward the realization of our goal of becoming a Park system that is respected and renowned throughout the world.

In the short months I have been here, I have had the pleasure of representing Niagara Parks at various events and functions, from both a local and an international perspective. In early 2019, I had the opportunity to meet with His Excellency, the Irish Ambassador to Canada, Jim Kelly; His Excellency, the Irish Minister of Communications, Climate Action, and Environment, Richard Bruton; as well as host a visit to Niagara Parks by His Excellency Reuven Rivlin, President of the State of Israel.

For me, Niagara Parks also has an important role to play as a community partner and stakeholder, investing in the economic vitality of not only the tourism sector, but throughout the Niagara region. As one of this region's largest employers, Niagara Parks has a significant impact on the economic well being of Niagara, and we look forward to continuing this role as we promote Niagara and Niagara Parks to visitors throughout the globe.

I look forward to working with my Board colleagues, and the dedicated employees here, to help advance these most noble causes.

Sandie Bellows, Chair

10-year Strategic Plan

Vision: During the course of the 2017/2018 fiscal year, Niagara Parks implemented a 10-Year Strategic Plan, designed to act as a blueprint to ensure the organization's long-term success, as well as enhance its competitive and reputational positioning. The 2018/2019 fiscal year is the first full year under the guidance of this plan, as Niagara Parks strives to become:

- An innovative example of sustainability as the environmental and cultural stewards of the Niagara River corridor;
- A welcoming, accessible, and inspiring place offering world-class experiences;
- A source of national pride and identity; as well as,
- One of the most spectacular parks in the world.

Themes: In order to fully embody the vision and direction of Niagara Parks, the 10-Year Strategic Plan presents four themes to direct Niagara Parks' efforts, which were represented by the programming, events, announcements, initiatives, and milestones that took place across the entire 56-kilometre Niagara River corridor over the course of the 2018/2019 year. These themes include:

- Preserving and showcasing our rich heritage, culture, and lifestyle;
- Leveraging and activating our natural wonders and iconic experiences;
- Supporting a dynamic business environment with a focus on attracting investment, connection to local communities, job creation, and economic well-being; and,
- Taking experiences, services, and hospitality to the next level.

2018/2019 Year in Review

Preserving and showcasing our rich heritage, culture, and lifestyle

May 2018 – Niagara Parks Hosts Visit from the Prime Minister of the Republic of Estonia

On May 27, 2018, Niagara Parks played host to a delegation led by His Excellency Jüri Ratas, the Prime Minister of the Republic of Estonia. Following a visit to Niagara-on-the-Lake, the delegation, comprised of 15 individuals, arrived at Table Rock and were officially welcomed and taken on a walkabout tour of the brink area of the Canadian Horseshoe Falls, followed by a tour of the Journey Behind the Falls attraction.

June 2018 – The Niagara Stage Music Series

A new concert series, The Niagara Stage, was developed by Niagara Parks in partnership with the Polaris Music Prize, to showcase the talent and diversity of Canada's artists previously recognized or listed by Polaris. The music series presented free concerts every Saturday evening from June 30 to September 1 and was made possible through additional support from Coca-Cola and the Government of Ontario.

August 2018 – Centenary of the Iron Scow Rescue

The 100th Anniversary of perhaps the most iconic story in Niagara folklore, the heroic rescue effort of the iron scow – a barge which to this day remains lodged in the powerful upper rapids of the Niagara River – was celebrated on August 6, 2018. The ceremony unveiled a new plaque and set of interpretive panels that share the fascinating history of the iron scow, so that visitors may continue to learn about the dramatic rescue effort led by Canadian riverman William "Red" Hill Sr. long after the barge finally descends over the Horseshoe Falls.

August 2018 – Environmental Initiatives

Part of Niagara Parks' environmental stewardship efforts is the expansion of the Niagara River Coastal Wetland Restoration Project, a plan that emphasizes shoreline renewal, removal of invasive species, and restoration of shoreline all along the Niagara River corridor. On August 20, Niagara Parks began work in several new locations to remove invasive species and to plant native vegetation that encourages the creation of coastal wetland habitat in areas along the Niagara River, helping support at-risk fish populations.

September 2018 – Coast to Coast Literary Speakers Series

The Coast to Coast: Canada's Diverse Women Literary Series returned in 2018 with speakers from across Canada and from various cultural backgrounds. The four-part speaker series highlights Canadian female authors, their unique perspectives, and their published works, and takes place at the home of one of Canada's most famous heroines – Laura Secord. The authors highlighted in the

2018 sold-out Speakers Series event were: Maia Caron, Suzette Mayr, Ann Y.K. Choi, and Michelle Winters.

March 2019 – Visit from the President of Israel

As part of a state visit to Canada, Niagara Parks was pleased to showcase the spectacular beauty of Niagara Falls and Niagara Parks to His Excellency Reuven Rivlin, the President of the State of Israel. Upon arrival at Niagara Parks, the President and his delegation were greeted by Niagara Parks Chair Sandie Bellows and Niagara Parks CEO David Adames. The group was then taken on a walkabout tour of the brink area of the Falls, followed by a tour of the Journey Behind the Falls attraction.

Leveraging and activating our natural wonders and iconic experiences

May 2018 – 25th Anniversary of Falls Fireworks Series

Canada's longest running fireworks series returned on the Victoria Day long weekend, with Niagara Parks as presenting sponsor and host. With additional funding provided by the Tourism Partnership of Niagara, the 2018 Falls Fireworks series was expanded to include daily shows from June 18 to September 3. The unique launch site found within the Niagara Gorge has drawn visitors from around the world to enjoy the spectacular fireworks displays, which are further showcased by the stunning nightly illumination of Niagara Falls.

May 2018 – Niagara Parks Announces Cycling Infrastructure Plan

Thanks in part to the generous support of the Ontario Ministry of Tourism, Culture, and Sport's Bike Parking Capital Funding Program, Niagara Parks was able to undertake a series of improvements along the 53-kilometre Niagara River Recreation Trail. The improvements benefit both the government's work to make Ontario a cycling leader in North America and Niagara Parks' ability to provide great cycling experiences throughout the Park. The plan resulted in the installation of over 40 new bike racks and 12 new bike repair stations, as well as equipment lockers, water refill stations, bike lockers, and additional waste receptacles along the Recreation Trail.

July 2018 – Development of Queen Victoria Park Master Plan

Queen Victoria Park encompasses the series of pristine parks, natural attractions, iconic landmarks, and restaurants found all along the Niagara Parkway from Oakes Garden Theatre to Kingsbridge Park, including the world-famous centrepiece – the Canadian Horseshoe Falls.

In July 2018, Niagara Parks introduced a concept Master Plan to guide the ongoing management, programming, and development of these lands to enhance the guest experience, reflecting the significant heritage, environmental, and cultural features found within this popular tourism area. The overall goal of the Master Plan is to recommend improved connections for guests within Queen

Victoria Park, including a vehicular transportation plan and improved pedestrian circulation throughout Queen Victoria Park.

July 2018 – Namaste Niagara Guided Meditation at White Water Walk

New this year to Niagara Parks' exclusive wellness event series was the addition of Namaste Niagara: Guided Meditation at White Water Walk. Three sessions were held along the White Water Walk boardwalk during the summer and all were followed by a locally sourced brunch prepared and served at Niagara Parks' Whirlpool Restaurant.

November 2018 – Table Rock Renovations Begin

In November, Niagara Parks began work on a multi-million-dollar redevelopment project to fully renew its retail, culinary, and attraction offerings of Table Rock Centre, in order to enhance the true sense of arrival and experience for the millions of guests who begin their travel journeys at this famed location. Construction on the north retail store at Table Rock began on November 19, 2018, and construction on Elements on the Falls Restaurant (now Table Rock House Restaurant) began on January 1, 2019. Phase one redevelopment included complete renovations of Table Rock Shop and Table Rock House Restaurant. Phase two will include the redevelopment of Table Rock's lower level quick-serve culinary operations, upgrades to the Horseshoe Landing Patio, the enclosing of the building's west side concourse, a refresh of the public washrooms in the west concourse, and improvements to the Journey Behind the Falls attraction.

December 2018 – Installation of the “Niagara Strait”

On December 13, the Niagara Strait public art display was erected at the Niagara Parks Botanical Gardens and Butterfly Conservatory. Artist Gordon M. Reeve submitted the winning design for Niagara Parks' Ontario150 design competition, which “celebrates and embodies the unique spirit of the people of Niagara, from the original Indigenous inhabitants thousands of years ago, to the people who are proud to call Niagara home today.”

Hodgson Custom Rolling (Niagara Falls) was enlisted to create the three rippling stainless-steel walls that make up the giant silver monoliths representing the rock face of the Niagara Gorge. The installation was delivered by Empire Transportation (Grimsby) and then carefully lifted into place by Modern Crane (Niagara Falls). Final on-site construction and finishing was completed by the Niagara Parks team.

January 2019 – Frozen Falls

The remarkable “Frozen Falls” phenomenon returned in January 2019, with extreme low temperatures freezing the mist and spray of Niagara Falls and forming a crust of ice over top of the rushing water, making it appear as though the Falls had stopped. The miniature glaciers and frozen mist transformed Niagara Falls into a truly inspiring, natural, and distinctly Canadian winter wonderland which drew visitors from around the world and generated significant media attention.

February 2019 – Art of Nature series

Niagara Parks hosted the Art of Nature series, which presented an exhibit with 30 winning photographs from the Canadian Geographic Wildlife Photography Contest, as coordinated by the Canadian Museum of Nature and Canada Post. The Art of Nature series also featured hands-on workshops and events that encouraged participants to explore various mediums of creative expression inspired by Canadian nature and wildlife. Workshops included photography sessions with the Canadian Raptor Conservancy, do-it-yourself art and floral workshops, and more. The Art of Nature series leveraged Niagara Parks' own incredible natural exhibits, including exhibits and events at the Butterfly Conservatory, the Niagara Glen Nature Centre, and the Floral Showhouse.

Supporting a dynamic business environment

April 2018 – Brock University and Niagara Parks sign new MOU

A new Memorandum of Understanding (MOU) was signed between Brock University and Niagara Parks. The new MOU is designed to enhance the stewardship and conservation practices of both organizations and provides new partnership opportunities for Brock and Niagara Parks through environmental stewardship initiatives, grant proposals, community forums, and more.

April 2018 – New Niagara Parks Contract Agreement with Parks Employees

The Niagara Parks Commission was pleased to reach a new four-year contract agreement with its employee members of the Ontario Public Service Employees' Union (OPSEU) Local 217. The new contract included yearly wage increases, benefit enhancements, and a number of language changes to clarify the agreement and promote operational efficiencies. The collective agreement is retroactive to November 1, 2017 and will conclude on October 31, 2021.

October 2018 – Niagara Parks Enters into MOU with Cambodian Park Authority

Niagara Parks was pleased to take part in ceremonies, held in both Toronto and Niagara, to celebrate the signing of a Memorandum of Understanding (MOU) between Niagara Parks and representatives of the Angkor Archeological Park Authority of Cambodia (APSARA). The MOU will allow for the exploration of a sister park relationship between the two organizations in the fields of both cultural and natural heritage preservation, and cultural and natural tourism development.

October 2018 – Ussher's Creek Bridge Replacement

As part of its ongoing commitment to providing exceptional experiences for all guests along the entire 56-kilometre Niagara River corridor, Niagara Parks initiated an important infrastructure project to replace its aging Ussher's Creek Bridge, which is situated along the south Niagara Parkway in Chippawa. Following a competitive RFP process, the \$1.4 million design-construction contract was awarded to Niagara-based Rankin Construction and was completed in April of 2019. The project was

designed to ensure the Ussher's Creek bridge maintains its heritage look and feel, with new bike lanes incorporated on both sides providing connection with the Niagara River Recreation Trail.

December 2018 – New Year's Eve celebrations in Queen Victoria Park

The annual New Year's Eve celebration featured two spectacular fireworks displays at 9:00 p.m. (sponsored by Tim Hortons) and midnight, as well as a highly anticipated free outdoor concert beginning at 8:00 p.m. An all-star lineup of Canadian talent headlined the concert, including one of the most celebrated rock artists in Canadian music history, Burton Cummings; Toronto-based rock band The Carpet Frogs; and the triple Juno Award-winning Saskatoon-based quintet the Sheepdogs. The evening opened with Niagara Falls-based band, Avenue Inn.

February 2019 – Aero Car Rope Replacement Project

Working with general contractor and industry leader Doppelmayr, Niagara Parks replaced all six of the required support ropes needed at the Whirlpool Aero Car. A test conducted at the end of the Aero Car season in November 2018 identified that one of the six ropes would need to be replaced. Niagara Parks made the decision to replace all six track ropes in order to ensure the same characteristic metal strength and quality was replicated in all six ropes produced by the manufacturer. Each of the support ropes is expected to last for over a quarter of a century.

March 2019 – Chinese Mobile Payment Options added to Niagara Parks Venues

Niagara Parks announced an agreement with OTT Pay Inc. in March 2019. OTT Pay Inc. is a leading financial technology platform that connects Canadian merchants to Chinese consumers and allows Niagara Parks to accept various Chinese mobile payment services (WeChat Pay and Alipay) at its attractions, restaurants, and retail stores. In addition to being incredibly convenient to the growing Chinese tourism market, Niagara Parks will be able to leverage marketing opportunities through OTT Pay to increase the awareness of Niagara Parks and the entire destination to prospective Chinese visitors.

Taking experiences, services, and hospitality to the next level

April 2018 – School of Horticulture Graduation

The Niagara Parks School of Horticulture has a long history of providing the very best educational and practical experience in the art, science, and mystery of horticulture. Niagara Parks is proud to announce its graduating class of students who embody these principles. The graduates in 2018 were: Ryan Van Balkom, Dacia Daley, Alexander Disyak, Alistair Hugli, Keyton Peddle, Morgan Robertson, Amanda Sandtner, Abigail Turple, and Brett Zylstra.

June 2018 – Women's Golf Day

Legends on the Niagara Golf Complex was the proud host of a Women's Golf Day event on June 5, 2018. A global event held in 46 countries, Women's Golf Day is designed to encourage female

golfers of all ages and skill levels. The event, which included golf clinics and a round of golf, was led by: renowned Canadian golfer Marlene Stewart Streit, a member of the World Golf Hall of Fame; Sandra Post and Cathy Sherk, both members of the Canadian Golf Hall of Fame; and professional golfers Mary Jane Hall and Laurie Rybski.

September 2018 – Pop-Up Dinner at Botanical Gardens

Niagara Parks' final Pop-Up Dinner of 2018 was held at the Botanical Gardens; 40 hectares (99 acres) of beautifully maintained gardens, which include perennials, rhododendrons, azaleas, an herb garden, and a world-famous rose garden. Each Niagara Parks Pop-Up Dinner highlights local purveyors and showcases their incredible fare and the bounty of Niagara in delectable menus prepared on-site and served with a selection of local VQA wine and craft beer. The Pop-Up Dinner Series transforms unique locations found within Niagara Parks into outdoor dining experiences, allowing Niagara Parks to highlight its talented culinary team while sharing its important environmental and cultural stewardship story with all those who attend.

November 2018 – Apprentice Cooks and Chefs Showcase Dinner

Niagara Parks hosted its 13th annual Niagara Parks Apprentice Cooks and Chefs Showcase Dinner on November 1, 2018. The sold-out event featured many talented chefs-in-the-making demonstrating their culinary passion alongside Niagara Parks chefs as they prepared a fabulous six-course dinner highlighting local produce and Niagara VQA wines. The evening was made possible by the continuing partnership between Niagara Parks and the Canadian Food and Wine Institute at Niagara College.

January 2019 – Appointment of new Niagara Parks Chair: Sandie Bellows

On January 17, 2019, the Honourable Michael Tibollo, Minister of Tourism, Culture, and Sport, announced the appointment of Ms. Sandie Bellows as the new Chair of The Niagara Parks Commission. Ms. Bellows was first appointed to the Commission as a Board member in October of 2018 and serves as a member of Regional Council for the Municipality of Niagara. Ms. Bellows had previously served as a councillor for the City of St. Catharines and possesses over two decades of experience as a public speaker and victims' rights advocate, as well as an extensive background in community involvement. In addition to her public service, Ms. Bellows' career has included time spent as a senior account executive at Telus, general manager for CNN Staffing Solution in St. Catharines, and her current work as a sales and business development consultant.

March 2019 – David Adames appointed Niagara Parks CEO

On March 21, 2019, David Adames was appointed the 12th CEO to serve The Niagara Parks Commission since its inception in 1885. David first joined the Commission as Senior Director of Business Development in 2013, before transitioning into the roles of Chief Operating Officer in 2016 and acting CEO in October 2018.

Economic Performance – General Overview

Building on the extraordinary results achieved during the previous fiscal year, Niagara Parks entered the 2018/2019 tourism season optimistic that it would continue to build on the strong foundations of revenues and sales growth, as well as visitation required, to reinvest back into its operations.

Under the guidance of the 10-Year Strategic Plan, Niagara Parks began several high-profile projects to inject new life into the iconic guest experiences available across the 56-kilometre Niagara River corridor. These projects were complemented by operational investments into Niagara Parks' capital infrastructure and corporate technology to ensure the organization remains relevant and up-to-date for today's discerning traveller.

Niagara Parks' flagship revitalization effort in 2018/2019 was its Table Rock Redevelopment Project, which set as its aim the renewal of the retail, culinary, and attraction offerings available at Table Rock. When completed, the phased project is expected to invest \$20 million into growing the Niagara tourism industry.

Major investment into the redevelopment and improvement of Niagara Parks' existing parkland also began this year, with many improvement projects progressing throughout 2018/2019. Initiatives included the development of a concept Master Plan to guide the ongoing management, programming, and development of the Queen Victoria Park core tourism area; enhancing the cycling infrastructure throughout Niagara Parks to help grow and promote cycling tourism; the redevelopment of Grand View Marketplace, including renovated washrooms and modernized lower level restaurant dining and patio areas; and, the expansion of several environmental stewardship projects such as the Niagara River Coastal Wetlands Restoration Project and the Urban Forestry Management Plan. These initiatives all contribute to making Niagara Parks, and the Niagara region as a whole, a more popular tourism destination by providing unique experiences for visitors to enjoy.

Niagara Parks is proud to be part of a strong, vibrant, and growing tourism industry that, according to the Conference Board of Canada, directly supports over 600,000 Canadian jobs. Building on the strong 2016/2017 fiscal year, the Conference Board of Canada predicted tourism activity in Canada to grow by another 2.6 per cent in 2018; and in fact, during the first half of 2018, tourism activities added \$18.7 billion in value to the Canadian economy, an increase of 6.2 per cent over the first half of 2017.

The 2018/2019 fiscal year was another strong year for tourism at Niagara Parks, and saw revenue from retail stores, restaurants, and attractions increase \$3 million over the previous year.

These strong results allowed the Commission to surpass its budgeted revenues by over \$2.5 million. Contributing to these results were high sales numbers and strong years by tourism partners Hornblower Niagara Cruises and WildPlay Niagara Falls. The strength of this fiscal year also allowed increased investments to be made into capital assets; \$18 million in 2018/2019, up \$3.7 million from the previous fiscal year.

Moving forward, Niagara Parks' financial plans anticipate continued strength in revenues. New reinvestments in key facilities, such as Table Rock Centre and Grand View Marketplace, are designed to enhance the guest experience and continue to drive increased revenue growth in future years, while regular attraction renewal and capital infrastructure projects ensure that Niagara Parks remains fiscally responsible and financially strong.

The impact of Canada/Ontario 150 celebrations' significantly increased attraction attendance within Niagara Parks during the 2017/2018 fiscal year. As a result, entering the 2018/2019 season, attraction visitation was expected to decline, and did so by 1.5 per cent for the year. However, visitation was still above 2016/2017 numbers – increasing by 5.7 per cent overall. Despite this relatively small decline, revenues remained strong, increasing by 8 per cent, or just over \$2.1 million, thanks in part to price adjustments introduced in the fall of 2018

Excellent weather allowed for an early start to the golf season, with relatively dry weather and near perfect playing conditions resulting in increases to the number of rounds played across all golf courses by almost 10 per cent. This translated into a 14 per cent increase in revenues being generated as compared to the 2017/2018 fiscal year.

Similar to attraction attendance, Niagara Parks Heritage experienced an expected decline in visitation, following the impact of Canada/Ontario 150 celebrations of 2017/2018. As a result, visitation to Niagara Parks heritage sites fell 22% from the previous fiscal year; however, visitation was still up from fiscal 2016/2017, rising by 4 per cent. Revenues fell 15% from 2017/2018 to just over \$400,000.

Niagara Parks' culinary operations experienced a strong 2018/2019 fiscal year. Culinary activations such as the Pop-Up Dinner Series raised the profile of Niagara Parks' culinary offerings, and Feast On Certification has encouraged attendance from diners who are conscious about consuming locally sourced food and drink. Revenue from culinary operations grew by 3 per cent, for a total of over \$22 million in revenue generated; this was over budget projections by more than \$400,000.

As a part of Niagara Parks' continuous work to improve the guest experience, investments have been made into technology initiatives, which included expanding the fibre optic network to the School of Horticulture, introducing a new Wi-Fi on-boarding solution, expanding Wi-Fi in the core of Queen Victoria Park, and improving network security and infrastructure. Niagara Parks is also committed to ensuring its corporate records are maintained effectively and competitively procured Enterprise Content Management software to build a robust records management and document system organization-wide.

As well, Niagara Parks completed the implementation of a new ticketing system in 2018/19, which will allow for greater analysis of visitor data and enhanced reporting capabilities, while offering a more user-friendly system for both staff and guests. The new automated ticketing system manages admissions to Niagara Parks attractions, parking, and other activities, and replaces the previous ticketing system that had reached the end of its lifecycle.

Niagara Parks was also able to benefit from media coverage around the Frozen Falls phenomena and the ice wall overflow in Fort Erie. Coverage ranged from traditional media coverage to YouTube videos, with an estimated reach of 114,667,813 viewers through traditional and social media. High levels of coverage by outlets like CBC News and USA Today also occurred, generating an estimated ad value of \$2,758,271 during what are traditionally slower visitation periods.

Niagara Parks' 10-Year Strategic Plan has also seen the development and implementation of new strategic initiatives, such as the creation of a new three-year Sales and Marketing Plan; the establishment of an environmental stewardship strategy; preliminary work toward an Indigenous tourism strategy, cycling strategy, and a new overall events strategy; the continued implementation of Niagara Parks' brand strategy; and the advancement of a new wayfinding strategy. These initiatives will help facilitate increased visitation and appreciation of Niagara Parks as a prime destination for natural and cultural tourism.

April 1, 2018 - March 31, 2019 Actual Operating Results				
<i>(in thousands of dollars)</i>	2019			2018
	Budget	Actual	Variance	Actual
Revenues	\$121,624	\$124,302	\$2,678	\$120,232
Operating Expenses	99,586	\$101,211	\$1,625	\$95,177
Net Surplus for the period before interest and depreciation (EBID)	22,038	23,091	1,053	25,055

Economic Performance: Outcome-Based Performance Measures

A board-governed agency of the Province of Ontario, Niagara Parks continues to operate under a mandate first established by the government of the day in 1885: that it preserve and promote the natural beauty and cultural heritage along the Niagara River Corridor while maintaining financial self-sufficiency.

Niagara Parks operates within the accountability framework of the province as set out in the 2017 Agencies and Appointments Directive, affirming the government's intent and expectations for Niagara Parks to pursue sound fiscal management strategies. This is further demonstrated by the new requirement effective January 1, 2019, which states that in addition to output measures and associated targets, all board-governed agencies are required to report on outcome-based measures.

As an operational agency, Niagara Parks has the authority to sell goods or services to the public in a commercial manner and to receive revenues from its commercial activities, which has allowed Niagara Parks to generate the profits necessary to fulfill its mandate.

Additionally, as part of revisions made to the Agencies and Appointments Directive, the following outcomes have been identified to ensure Niagara Parks continues to deliver on its historic mandate while maintaining a strong financial position: Growing Revenue, Enhancing the Visitor Experience, and Ensuring Cost Certainty.

While there are numerous examples across Niagara Parks' operations and corporate structure, the following projects have been identified as Niagara Parks initiatives with measurable data designed to achieve these outcomes.

Growing Revenue: Grand View Redevelopment

Input and Output: Niagara Parks invested \$778,000 into redeveloping Grand View Marketplace, which included developments to the lower level restaurant dining and patio areas, as well as renovated washroom facilities.

Outcome: The redevelopment of Grand View was designed to complement the substantial growth in visitation to the site following the success of Hornblower Niagara Cruises and the introduction of WildPlay Niagara Falls' MistRider to the Falls zipline attraction, which both operate out of this location. Grand View was identified as a key Niagara Parks facility with excellent revenue generating potential that was in need of significant upgrades to enhance the visitor experience. This was achieved by improving the Niagara Parks culinary and retail offerings available, as well as important guest amenities including the interior and exterior washroom facilities and patio areas. The Grand View redevelopment was an initiative designed to leverage the increased revenue generating opportunities provided by the increased visitation and growth experienced at this important tourism location.

It should be noted that the revitalization of Grand View restaurant was not completed until June 6, 2018; the opening of the restaurant is usually timed to coincide with the launch of Hornblower Niagara Cruises, which in this case occurred on May 5, 2018. Additionally, the outdoor restaurant bar opening was delayed to June 30, 2018.

Despite the delay caused by the renovations, the Grand View Restaurant had strong sales numbers, generating revenues almost identical to 2017/2018 (increased by \$1,741), and restaurant transaction numbers increasing by over 3,500. The modernization work of this project has increased visitation and visitor satisfaction while promoting Niagara Parks in this high-traffic location. This is expected to result in future revenue growth for both Niagara Parks culinary and retail operations at this location.

Enhancing the Visitor Experience: Development of a Compelling Brand Strategy

Input and Output: One of the first projects undertaken as part of Niagara Parks' new Strategic Plan was the development of a unique and compelling brand strategy. This process also included the creation of a new sales and marketing plan as well as a comprehensive wayfinding strategy.

Outcome: The development of a compelling brand strategy was part of an effort to increase the recognition and understanding of the breadth of offerings available at Niagara Parks, as well as better position the organization toward accomplishing the goals set out in the Strategic Plan, including becoming one of the most spectacular Parks in the world. The brand story also defines the unique experiences that differentiate Niagara Parks from anywhere else in the world, including identifying storytelling opportunities across the 56-kilometre Niagara River corridor.

The early stages of the brand strategy implementation have already increased Niagara Parks' visibility, particularly in social media and web visitation and reach. Niagara Parks' website saw visitation exceed 3 million visitors, which was a growth of approximately 10% over the 2017/2018 fiscal year, and this was the first time the website has ever exceeded 3 million visitors. Social media content has also drawn a large following, with over one million engagements over fiscal 2018/2019, and a potential reach of over 26 million. Niagara Parks' main Facebook page passed 300,000 likes in 2019 and trailed only five other Canadian travel/tourism-related pages, in terms of popularity.

The growth of Niagara Parks' digital channels provides an excellent platform for the new brand story, advancing a deeper understanding and recognition of the diversity of Niagara Parks experiences to a wider audience, including current and prospective target markets. As well, increased social and online engagement contribute to a better understanding of our visitors, informing investments to improve Niagara Parks' products, services, and offerings to support great visitor experiences.

Ensuring Cost Certainty: New Ticketing System

Input and Output: Through an open and competitive procurement process, Niagara Parks acquired a new automated ticketing system to manage admissions to its various attractions, sites, and parking

facilities. The new ticketing solution replaces Niagara Parks' previous system, which had reached the end of its useful lifecycle. Any new ticketing system acquired needed to be robust, as Niagara Park processes over three million transactions annually.

Outcome: Niagara Parks' previous ticketing system was an outdated model that did not provide the required product knowledge, experience, or support and was inflexible to newer technologies. The ticketing software used to process admissions to Niagara Parks attractions, sites, and facilities is a critical software and failing to replace the system would result in the significant risk of business interruption.

The new ticketing solution acquired by Niagara Parks and implemented in 2018 is Niagara Parks' largest point-of-sale system in terms of revenues and volume of transactions. The new system makes it easier for staff to process sales transactions and reduces wait times for guests. Additionally, the new system makes upsells and bundling of purchases very efficient, allowing for greater opportunity to increase sales. As well, the new system provides an integrated solution for in-park and online sales, improving the delivery of customer service significantly.

Another important feature of the new system is the opportunity for greater analysis of visitor data and more comprehensive reporting capabilities. Niagara Parks staff are now able to collect postal codes at the point of sale, helping the organization to develop a better understanding of where Park visitors are coming from. Additionally, monthly reports produced through the ticketing system indicate the top cities, states, provinces, and countries of visitors.

Data acquired from the comprehensive reporting capabilities of the new ticketing software will help to identify new and existing high-yield markets and support more evidence-based decision making to ensure the continued strength in revenues from Niagara Parks attractions, sites, and facilities.

Economic Performance – Risk Analysis

As outlined in Niagara Parks' Business Plan and reported in Niagara Parks' quarterly reports to the Ministry, the following categories are applied to Niagara Parks' risks: Strategic/Policy/Performance; Accountability/Governance; Operational; Workforce; Information, Technology, and Infrastructure; Other. The following risks and their risk management strategies have been identified for the 2018/2019 fiscal year:

Miller's Creek Marina – Operational

Risk Description: The Miller's Creek Marina is in need of rehabilitation to prevent further deterioration of the building and dock infrastructure, as the infrastructure is more than 50 years old.

Mitigation Strategy: Niagara Parks is pursuing development strategies on how to maintain the marina moving forward, in a way that limits Niagara Parks' costs and mitigates exposure to risk. As of the close of fiscal 2018/2019, Niagara Parks has made aesthetic improvements on the marina, such as updating the café and implementing horticultural improvements to the area.

Niagara Parks Police Service: Special Constable Status – Strategic/Policy/Performance

Risk Description: The Niagara Parks Police Services' Special Constable status is due for renewal in May 2020. Without renewal, the Parks Police Service could lose some of its ability to ensure a safe environment for both visitors and employees.

Mitigation Strategy: Niagara Parks has engaged the Regional Municipality of Niagara Police Services Board, reviewing the policy services outlined in the agreement to ensure compliance with the new legislative framework proposed, along with updating Niagara Parks Police Service's policies, procedures, and training programs. Many of the objectives and proposed changes sought by Niagara Parks regarding the Special Constable Status of the Niagara Parks Police Services were addressed in Bill 68 – Comprehensive Ontario Police Services Act, 2019 – which received Royal Assent on March 26, 2019, and is now awaiting implementation, following the development of required regulations prior to its enactment.

Cyber Threats – Information Technology and Infrastructure

Risk Description: Global electronic threats increase with the use of the internet, and networks, such as Niagara Parks' network, are at risk of suffering a malware, ransomware, or other malicious attack.

Mitigation Strategy: Implementation of specific risk mitigation software, such as firewalls, geo-blocking, and threat intelligence data in security defenses. Niagara Parks' IT department is continually improving security, staying up-to-date on cyber security threats.

Power Plant Stabilization Obligation – Other Risks

Risk Description: Under direction from the Province of Ontario, The Niagara Parks Commission accepted ownership of three former power generation stations, all located within Commission lands – Toronto Power Generating Station (TPGS), Ontario Power Generating Station (OPGS), and Canadian Niagara Power Generating Station (CNPGS). All three of these power generating stations require investment to bring these buildings to a ‘development ready’ state.

Mitigation Strategy: Required maintenance work was completed on TPGS in fiscal 2017/2018, with a complete roof replacement still required in the near future. The Niagara Parks Commission annually invests in stabilization efforts related to these three former power generation stations. For a financial overview of Niagara Parks’ power plant stabilization efforts, see notes to the financial statements (Note 8).

High-Traffic Area Visitor Security – Other Risks

Risk Description: With recent global threats to visitor safety at internationally recognized sites and high-traffic areas, a proactive approach to implementing initiatives to maintain safety and security of staff and visitors is required.

Mitigation Strategy: Niagara Parks Police Services, in conjunction with provincial authorities, is developing and implementing a safety and security plan, enhancing overall safety of staff and visitors in Niagara Parks. Measures include imminent threat emergency exercises and the successful pilot project of lane closures and road barriers in the Queen Victoria Park core area. As well, a security bag check program was implemented at Niagara Parks’ Journey Behind the Falls attraction. Further improvements to safety are being designed using Crime Prevention through Environmental Design (CPTED) principles.

Niagara Parks has not identified any significant risks during the 2018/2019 fiscal year beyond those stated above.

Business Climate

Where the Commission's Dollars Came From 2018/2019 (April 1, 2018 to March 31, 2019)	Where the Commission's Dollars Went 2018/2019 (April 1, 2018 to March 31, 2019)
Boat Tour Lease Agreement – \$16M (19%)	Maintenance – \$22.8M (27.3%)
Zipline and Adventure Course Agreement – \$2.1M (2.5%)	Administration – \$11.8M (14.1%)
Gift Shops, Restaurants, & Attractions – \$38.5M [Net] (45.7%)	Asset Additions – \$18M (21.6%)
Land Rent – \$7.3M (8.7%)	Grant Funding – \$0.1M (0.1%)
Grant Funding – \$0.1M (0.1%)	Interest Paid – \$1.2M (1.4%)
Cash & Cash Equivalents – \$16.3M (19.3%)	Long Term Debt Repayment – \$2.1M (2.5%)
Infrastructure Funding – \$0M (0%)	Cash & Cash Equivalents – \$18.1M (21.7%)
Working Capital – \$1.3M (1.5%)	Strategic Initiatives – \$0.8M (1%)
Other Income – \$2.7M (3.2%)	Power Plant Stabilization – \$0.4M (0.5%)
	Other Expenses – \$8.1M (9.7%)
Where the Commission's Dollars Came From 2018 (April 1, 2017 to March 31, 2018)	Where the Commission's Dollars Went 2018 (April 1, 2017 to March 31, 2018)
Boat Tour Lease Agreement – \$15.4M (20.9%)	Maintenance – \$21.6M (28%)
Zipline and Adventure Course Agreement – \$1.8M (2.4%)	Administration – \$11.1M (14.4%)
Gift Shops, Restaurants, & Attractions – \$35.7M [Net] (48.4%)	Asset Additions – \$14.3M (18.5%)
Land Rent – \$7.1M (9.6%)	Grant Funding – \$0.3M (0.4%)
Grant Funding – \$0.3M (0.4%)	Interest Paid – \$1.3M (1.7%)
Cash & Cash Equivalents – \$8.2M (11.1%)	Long Term Debt Repayment - \$1.9M (2.5%)
Infrastructure Funding – \$0.2M (0.3%)	Cash & Cash Equivalents – \$16.3M (21.1%)
Working Capital – \$2.6M (3.5%)	Strategic Initiatives – \$0.9M (0.1%)
Other Income – \$2.5M (3.4%)	Power Plant Stabilization – \$2.2M (2.8%)
	Other Expenses – \$7.4M (9.6%)

Comparative Performance – Gift Shops, Restaurants, and Attractions (\$`000)

	2019	% of sales	2018	% of sales
Revenue	\$96,124	100%	\$93,097	100%
Cost of Goods Sold	15,494	16%	16,054	17%
Gross Profit	\$80,630	84%	\$77,043	83%
Operating Expenditures	42,062	44%	41,295	45%
Net Income Before Administrative Overhead and Depreciation	\$38,568	40%	\$35,748	38%

Niagara Parks Attendance

	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018	Increase / (Decrease)	NOTES
Paid Attractions				
Journey Behind the Falls	921,727	915,701	6,026	
Butterfly Conservatory	307,079	306,770	309	Note 1
Whirlpool Aero Car	125,184	147,978	(-22,794)	Note 2
White Water Walk	261,817	258,118	3,699	Note 2
Niagara's Fury	296,657	330,530	(-33,873)	
Floral Showhouse	56,043	58,980	(-2,937)	
Total	1,968,507	2,018,077	(-49,570)	
Golf				
Oak Hall Par 3 Golf Course	1,507	1,432	75	
Whirlpool Golf Course	28,125	25,198	2,927	
Legends on the Niagara	51,328	46,244	5,084	
Total	80,960	72,874	8,086	
Historic Sites				
Old Fort Erie	13,613	16,740	(-3,127)	
Laura Secord Homestead	6,568	9,362	(-2,794)	
Mackenzie Printery	4,017	5,386	(-1,369)	
McFarland House	3,955	4,748	(-793)	
Total	28,153	36,236	(-8,083)	
Transportation				
WEGO Transportation Service	1,224,568	1,264,381	(-39,813)	Note 3
Falls Incline Railway	1,077,552	1,056,910	20,642	
Total	2,302,120	2,321,291	(-19,171)	
Total Attendance	4,379,740	4,448,478	(-68,738)	

Note 1: Higher Butterfly Attendance in January 2019 due to repair closure in prior year.

Note 2: Adventure Pass sales began in May vs April 2017, resulting in a delayed opening for Whirlpool Aero Car and White Water Walk. General slower start to the season due to climate.

Note 3: WEGO attendance represents Green Line ridership along the Niagara Parkway only.

*During the 2018 calendar year, boat tour operator Hornblower Niagara Cruises reported attendance of 2,326,704 visitors.

**In 2018, WildPlay Niagara Falls' MistRider Zipline to the Falls attraction reported attendance of 93,768 visitors.

***WildPlay Niagara Falls' Whirlpool Adventure Course attraction reported attendance of 23,348 in 2018.

Commissioner Remuneration

Niagara Parks Commissioners are paid a per diem when working on Commission business and fulfilling their duties as a member of the Commission Board. The per diem of \$250 for the Chair, \$175 for the Vice-Chair and \$135 for each member of the Board is set by the Government of Ontario.

The table below lists the remuneration paid to Commissioners during the 2018 fiscal year (April 1, 2018 to March 31, 2019), as well as reimbursed out of pocket expenses.

Commissioner	Remuneration	Expenses	Total
Janice Thomson, Former Chair	\$20,125.00	\$2,478.00	\$22,603.00
Sandie Bellows, Chair*	\$7,500.00	\$76.80	\$7,576.80
Joan Andrew, Former Vice-Chair	\$4,637.00	\$2,846.96	\$7,483.96
April Jeffs, Vice-Chair	\$175.00	\$0.00	\$175.00
Eldon Bennett, Commissioner	\$1,215.00	\$956.80	\$2,171.80
Sylvie Chartrand-Rafi, Commissioner	\$0.00	\$0.00	\$0.00
Graham Coveney, Commissioner	\$67.50	\$0.00	\$67.50
Pat Darte, Commissioner	\$742.50	\$7.72	\$750.22
James Detenbeck, Commissioner	\$1,620.00	\$0.00	\$1,620.00
Jim Diodati, Commissioner	\$270.00	\$0.00	\$270.00
Betty Disero, Commissioner	\$202.50	\$0.00	\$202.50
Lois Anne Giles, Commissioner	\$2,295.00	\$215.60	\$2,510.60
Vincent Kerrio, Commissioner	\$0.00	\$0.00	\$0.00
Ian Nielsen-Jones, Commissioner	\$3,172.50	\$2,798.51	\$5,971.01
Kerry Pond, Commissioner	\$0.00	\$0.00	\$0.00
Wayne Redekop, Commissioner	\$265.61	\$0.00	\$265.61
TOTAL	\$42,287.61	\$9,380.39	\$51,668.00

*From October 17, 2018, to January 16, 2019, Sandie Bellows served as a Commissioner

THE NIAGARA PARKS COMMISSION

MANAGEMENT REPORT

March 31, 2019

The Management of The Niagara 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 Niagara 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, through the Audit and Finance Committee, 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 Committee reviews the financial statements before recommending approval by the Board.

The financial statements have been audited by Grant Thornton LLP, 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 Auditor General of Ontario. Grant Thornton LLP had direct and full access to all Commission records as well as full access to the Audit and Finance Committee with and without the presence of Management to discuss their audit and findings as to the integrity of the Commission's financial reporting.



David Adames
Chief Executive Officer
June 13, 2019



Margaret Neubauer
Senior Director, Corporate Services
June 13, 2019

Independent auditor's report

To The Niagara Parks Commission, the Minister of Tourism, Culture and Sport and the Auditor General of Ontario

Opinion

We have audited the financial statements of The Niagara Parks Commission ("the Entity"), which comprise the statement of financial position as at March 31, 2019, statements of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of The Niagara Parks Commission as at March 31, 2019 and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with the basis of accounting described in Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 2 to the financial statements which describes the basis of accounting used in the preparation of these financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Grant Thornton LLP

Port Colborne, Canada
June 13, 2019

Chartered Professional Accountants
Licensed Public Accountants

The Niagara Parks Commission

Statement of Financial Position

As at March 31

2019

2018

(in thousands of dollars)

Financial assets

Cash and cash equivalents	\$ 18,121	\$ 16,258
Accounts receivable	1,408	1,655
Inventories – saleable	<u>4,109</u>	<u>3,889</u>
	<u>23,638</u>	<u>21,802</u>

Liabilities

Accounts payable	8,249	8,603
Accrued payroll	5,805	3,984
Deferred revenue (Note 4)	2,515	2,364
Deferred capital funding (Note 5)	25,830	26,983
Long term financing (Note 6)	22,743	24,714
Post-employment benefits (Note 7)	3,242	3,182
Power plant stabilization obligation (Note 8)	<u>26,295</u>	<u>26,134</u>
	<u>94,679</u>	<u>95,964</u>

Net debt

<u>(71,041)</u>	<u>(74,162)</u>
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Non-financial assets

Tangible capital assets (Page 20)	172,464	163,428
Inventories – other	1,115	847
Prepaid expenses	<u>550</u>	<u>426</u>
	<u>174,129</u>	<u>164,701</u>

Accumulated surplus (Note 10)

<u>\$ 103,088</u>	<u>\$ 90,539</u>
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Commitments and contingencies (Notes 11 and 12)

On behalf of the Commission



Sandie Bellows, Chair

See accompanying notes to the financial statements.

The Niagara Parks Commission

Statement of Operations

For the year ended March 31, 2019

	Budget <u>2019</u>	Actual <u>2019</u>	Actual <u>2018</u>
(in thousands of dollars)			
Revenues			
Revenue producing operations	\$ 93,733	\$ 96,122	\$ 93,097
Land rent	7,237	7,295	7,121
Commission, rentals and fees	18,993	18,627	18,106
Premium on United States funds – net	735	736	745
Government transfers – special projects	206	124	337
Interest revenue	196	638	384
Sundry revenue	<u>524</u>	<u>760</u>	<u>442</u>
	<u>121,624</u>	<u>124,302</u>	<u>120,232</u>
Expenses (Page 21)			
Revenue producing operations			
Cost of goods sold	15,356	15,494	16,054
Operating	40,650	42,062	37,836
Maintenance	22,830	22,787	21,616
Administrative and police	16,111	16,426	15,506
Marketing and promotion	4,433	4,318	3,882
Special projects	<u>206</u>	<u>124</u>	<u>283</u>
	<u>99,586</u>	<u>101,211</u>	<u>95,177</u>
Net surplus before other items	<u>22,038</u>	<u>23,091</u>	<u>25,055</u>
Other items			
Interest on long term debt	1,205	1,204	1,303
Amortization of tangible capital assets	9,872	9,755	9,430
Amortization of deferred capital funding (Note 5)	(1,460)	(1,488)	(1,767)
Loss (gain) on disposal of tangible capital assets	<u>(11)</u>	<u>496</u>	<u>(320)</u>
	<u>9,606</u>	<u>9,967</u>	<u>8,646</u>
Net surplus from operations	12,432	13,124	16,409
Net (increase) decrease in power plant stabilization obligation (Note 8)	<u>(705)</u>	<u>(575)</u>	<u>545</u>
Annual surplus	<u>\$ 11,727</u>	<u>\$ 12,549</u>	<u>\$ 16,954</u>

See accompanying notes to the financial statements.

The Niagara Parks Commission

Statement of Accumulated Surplus

For the year ended March 31, 2019

	Budget <u>2019</u>	Actual <u>2019</u>	Actual <u>2018</u>
(in thousands of dollars)			
Accumulated surplus (Note 10)			
Beginning of year	\$ 90,539	\$ 90,539	\$ 73,585
Annual surplus	<u>11,727</u>	<u>12,549</u>	<u>16,954</u>
End of year	<u>\$ 102,266</u>	<u>\$ 103,088</u>	<u>\$ 90,539</u>

See accompanying notes to the financial statements.

The Niagara Parks Commission

Statement of Changes in Net Debt

For the year ended March 31, 2019

	Budget <u>2019</u>	Actual <u>2019</u>	Actual <u>2018</u>
(in thousands of dollars)			
Annual surplus	\$ 11,727	\$ 12,549	\$ 16,954
Amortization of tangible capital assets (Page 20)	9,872	9,755	9,430
Purchase of tangible capital assets (Page 20)	(19,088)	(19,400)	(14,250)
Proceeds from the disposal of tangible capital assets	-	113	325
Loss (gain) on sale of tangible capital assets – net	<u>(11)</u>	<u>496</u>	<u>(320)</u>
	2,500	3,513	12,139
(Acquisition) use of prepaid expenses	-	(124)	53
(Acquisition) use of inventories – other	<u>-</u>	<u>(268)</u>	<u>89</u>
Decrease in net debt	2,500	3,121	12,281
Net debt			
Beginning of year	<u>(74,162)</u>	<u>(74,162)</u>	<u>(86,443)</u>
End of year	<u>\$ (71,662)</u>	<u>\$ (71,041)</u>	<u>\$ (74,162)</u>

See accompanying notes to the financial statements.

The Niagara Parks Commission

Statement of Cash Flows

For the year ended March 31

2019

2018

(in thousands of dollars)

Increase in cash and cash equivalents

Operating activities		
Annual surplus	\$ 12,549	\$ 16,954
Charges against income not requiring an outlay of funds		
Amortization of tangible capital assets (Page 20)	9,755	9,430
Amortization of deferred capital funding (Note 5)	(1,488)	(1,767)
Loss (gain) on disposal of tangible capital assets	496	(320)
Increase in post-employment benefits (Note 7)	196	180
Increase (decrease) in power plant stabilization obligation – net (Note 8)	<u>575</u>	<u>(545)</u>
	22,083	23,932
Net change in working capital balances related to operations (Note 13)	<u>1,253</u>	<u>2,560</u>
	23,336	26,492
Capital activities		
Stabilization works on power plants (Note 8)	(414)	(2,735)
Purchase of tangible capital assets (Page 20)	(19,400)	(14,250)
Proceeds from disposal of tangible capital assets	<u>113</u>	<u>325</u>
	(19,701)	(16,660)
Financing activities		
Receipt of capital funding (Note 5)	335	216
Repayment of long term financing	(1,971)	(1,878)
Payment of post-employment benefits (Note 7)	<u>(136)</u>	<u>(119)</u>
	(1,772)	(1,781)
Net increase in cash and cash equivalents	1,863	8,051
Cash and cash equivalents (Note 13)		
Beginning of year	<u>16,258</u>	<u>8,207</u>
End of year	\$ 18,121	\$ 16,258

See accompanying notes to the financial statements.

The Niagara Parks Commission

Notes to the Financial Statements

For the year ended March 31, 2019

1. Nature of operations

The Niagara Parks Commission (the "Commission") is governed by the Niagara Parks Act. Initially established in 1885, the Commission is an "Operational Enterprise" of the Province of Ontario and is responsible for maintaining, protecting and showcasing over 1,300 hectares of parkland stretching some 56 kilometres along the Niagara River from Lake Erie to Lake Ontario. The Commission is exempt from corporate income taxes under the Income Tax Act (Canada) and Ontario Corporation Tax Act.

The Commission is also classified as an Other Government Organization by the Ministry of Finance and as such, the Commission's audited financial statements are published as part of the Public Accounts.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the financial reporting provisions of the Ontario Financial Administration Act, Ontario Ministry of Tourism Memorandum of Understanding and the accounting requirements of Regulation 395/11 of the Ontario Financial Administration Act. The Ontario Ministry of Tourism Memorandum of Understanding requires that the financial statements be prepared in accordance with the Canadian public sector accounting standards. The Ontario Financial Administration Act provides that changes may be required to the application of these standards as a result of regulation.

Regulation 395/11 to the Ontario Financial Administration Act requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the Statement of Operations at a rate equal to amortization charged on the related depreciable tangible capital assets. These contributions include government transfers and externally restricted contributions.

The accounting requirement under Regulation 395/11 is not consistent with the requirements of Canadian public sector accounting standards which requires that:

- government transfers be recognized as revenue when approved by the transferor and the eligibility criteria have been met unless the transfer contains a stipulation that creates a liability, in which case the transfer is recognized as revenue over the period that the liability is extinguished in accordance with public sector accounting standard PS3410;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with Canadian public sector accounting standard PS3100.

As a result revenue recognized in the Statement of Operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

The Niagara Parks Commission

Notes to the Financial Statements

For the year ended March 31, 2019

2. Significant accounting policies (continued)

Basis of accounting (continued)

The significant accounting principles used in the preparation of these financial statements are summarized below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with maturities of less than three months.

Inventories

Saleable and other inventories are valued at the lower of average cost and net realizable value.

Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenses in the acquisition, construction, development and/or betterment of the asset required to install the asset at the location and in the condition necessary for its intended use. Contributed tangible capital assets are capitalized at estimated fair value upon acquisition.

The Commission capitalizes an amount of interest as part of the costs of its capital works in progress and financed via long term financing.

Works of art for display in the Commission property are not included as capital assets. Works of art are held for exhibition, educational and historical interest. Such assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. No valuation of the collection has been disclosed in the financial statements.

Leases are classified as capital or operating leases. Leases that transfer substantially all benefits incidental to ownership are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Amortization is calculated on a straight-line basis to write-off the net cost of each asset over its estimated useful life for all classes except land. Land is considered to have an infinite life without amortization. Residual values of assets are assumed to be zero with any net gain or loss arising from the disposal of assets recognized in the Statement of Operations. Amortization is charged on a monthly basis. Assets under construction are not amortized until the asset is available for productive use.

Amortization is based on the following classifications and useful lives:

<u>Classification</u>	<u>Useful Life</u>
Land improvements, buildings, roadways and structures	7 to 40 years
Equipment and furnishings	3 to 10 years
Vehicles	10 to 12 years

The Niagara Parks Commission

Notes to the Financial Statements

For the year ended March 31, 2019

2. Significant accounting policies (continued)

Deferred revenue

Revenue that is restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenues. When qualifying expenses are incurred, restricted revenues are brought into revenue at equal amounts. Revenues received in advance of expenses that will be incurred in a later period are deferred until they are earned by being matched against those expenses.

Deferred capital funding

Government transfers for capital purposes and contributed tangible capital assets are recorded as a liability, referred to as deferred capital funding, and are recognized into revenue at the same rate as the related tangible capital assets are amortized, in accordance with Regulation 395/11 to the Ontario Financial Administration Act, as disclosed above.

Post-employment benefits

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements.

Liabilities for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Commission:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

Revenue recognition

Revenue from gift shops, restaurants and attractions are recognized when merchandise has been transferred to the customer or services have been rendered. Revenue from land rent, commissions, rentals, fees and sundry are recognized over the life of the agreement or when earned.

The Niagara Parks Commission

Notes to the Financial Statements

For the year ended March 31, 2019

2. Significant accounting policies (continued)

Foreign currency translation

These financial statements are presented in Canadian dollars. Assets and liabilities denominated in foreign currencies are translated at the exchange rates in effect at the Statement of Financial Position date. Gains and losses on translation are reflected in the annual surplus (deficit).

Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. Two areas in which estimates are used are with regards to post-employment benefits and the power plant stabilization obligation.

3. Credit facilities

The credit facilities, which have a maximum borrowing capacity of \$ 15,000,000, provide for two types of loans. There is a variable rate loan facility which varies with the Canadian Imperial Bank of Commerce prime rate and there is a fixed rate operating loan facility available with a maximum term not to exceed 364 days at rates which are set relative to banker's acceptance rates. These credit facilities are unsecured and expire on March 31, 2021, with an option of a three year renewal at the Commission's discretion. As at March 31, 2019, \$ Nil has been drawn upon for all credit facilities (2018 - \$ Nil). Taking into account outstanding cheques and deposits, the balance reported on the Statement of Financial Position is \$ Nil (2018 - \$ Nil).

4. Deferred revenue

	<u>2019</u>	<u>2018</u>
	<i>(in thousands of dollars)</i>	
Sale proceeds related to Fort Erie land transaction	\$ 272	\$ 314
Other	<u>2,243</u>	<u>2,050</u>
	<u>\$ 2,515</u>	<u>\$ 2,364</u>

Fort Erie land transaction obligation

In fiscal 2009, the Commission and the Peace Bridge Authority ("PBA") entered into an agreement to transfer parcels of land. The PBA acquired a 5.952 acre parcel located in Fort Erie from the Commission for \$ 2,021,206. The Commission acquired an option for \$ 670,000 plus an annual sum of \$ 7,300 adjusted for inflation, to receive 1.973 acres of river front property located at the end of Jarvis Street in Fort Erie from the PBA. The agreement calls for the net proceeds to the Commission in the amount of \$ 1,351,206 to be spent on a) funding improvements at Old Fort Erie which are intended for the 200th year anniversary of the War of 1812 and b) returning and/or maintaining the Jarvis Street property as parkland.

The Niagara Parks Commission

Notes to the Financial Statements

For the year ended March 31, 2019

4. Deferred revenue (continued)

The net proceeds were recorded as part of deferred revenue on the Statement of Financial Position. To date approximately \$ 1,038,000 from these proceeds have been spent on the capital works project for the renovation of Old Fort Erie and approximately \$ 47,000 has been spent on the Jarvis Street property maintenance. As of March 31, 2019, \$ 272,540 remains for use in 2020 and beyond.

5. Deferred capital funding	<u>2019</u>	<u>2018</u>
	<i>(in thousands of dollars)</i>	
Deferred capital funding		
Beginning of year	\$ 26,983	\$ 28,534
Received during year for capital projects	377	216
Amortized for asset disposal	(42)	-
Amortization	<u>(1,488)</u>	<u>(1,767)</u>
End of year	<u>\$ 25,830</u>	<u>\$ 26,983</u>

6. Long term financing	<u>2019</u>	<u>2018</u>
	<i>(in thousands of dollars)</i>	
Unsecured fixed rate term loan requiring blended payments of principal and interest of \$ 2,640,907 per annum, bearing interest at 5.06% through to April, 2027	\$ 18,812	\$ 20,420
Unsecured fixed rate term loan requiring blended first annual payment of \$ 543,418 and then payments of \$ 569,965 per annum thereafter, bearing interest at 5.07% through to April, 2027	3,858	4,214
The Commission has an option to purchase land requiring annual payments of \$ 7,300 until January, 2028 (Note 4)	<u>73</u>	<u>80</u>
	<u>\$ 22,743</u>	<u>\$ 24,714</u>

The principal payments of the long term financial obligations due in the next five years are as follows:

2020	\$ 2,071
2021	2,176
2022	2,285
2023	2,401
2024	2,515

The Niagara Parks Commission

Notes to the Financial Statements

For the year ended March 31, 2019

7. Post-employment benefits

Defined termination benefits

The Commission provides a defined employee future benefit, payable on termination to certain full time employees with a minimum of five years of service. The benefit is calculated on the basis of one week's remuneration, at the time of termination, for every year of full time service provided to the Commission to a maximum of twenty-six weeks. The accrued benefit liability as at March 31, 2019 is \$ 3,242,064 (2018 - \$ 3,182,078).

The Commission requires an actuarial valuation of the post-employment benefits be conducted every three years. The last valuation was completed for the year ended March 31, 2019 with extrapolations through to 2022 and updated on March 20, 2019. The latest valuation reflects approved changes by the Commission regarding eligibility and maximum amounts of the benefit payable upon termination.

The actual obligation as at March 31, 2019 is \$ 2,759,505 (2018 - \$ 2,485,872) which is the actuarial valuation for March 31, 2019 adjusted for the actual benefits paid of \$ 136,364, incorporated in an actuarial update provided dated March 20, 2019.

Defined benefit plan information

	<u>2019</u>	<u>2018</u>
	<i>(in thousands of dollars)</i>	
Employee benefit plan assets	\$ Nil	\$ Nil
Employee benefit plan liabilities	<u>3,242</u>	<u>3,182</u>
Employee benefit plan deficit	<u>\$ 3,242</u>	<u>\$ 3,182</u>
Benefit obligation recognized on the Statement of Financial Position		
Benefit obligation, beginning of year	\$ 3,182	\$ 3,121
Expense for the year	196	180
Benefits paid during the year	<u>(136)</u>	<u>(119)</u>
Benefit obligation, end of year	<u>\$ 3,242</u>	<u>\$ 3,182</u>
The net benefit expense is as follows:		
Current service cost	\$ 184	\$ 173
Interest cost	106	101
Amortization of actuarial gain/loss	<u>(94)</u>	<u>(94)</u>
	<u>\$ 196</u>	<u>\$ 180</u>

The Niagara Parks Commission

Notes to the Financial Statements

For the year ended March 31, 2019

7. Post-employment benefits (continued)

The main actuarial assumptions applied in the valuation of the defined benefit plan are as follows:

Interest (discount) rate – the accrued obligation and the expense for the year were determined using a discount rate of 3.75% (2018 - 4.25%).

Salary levels – future salary and wage levels were assumed to increase at 2% per annum.

These assumptions were reviewed in the current year.

Pension benefits

The Commission provides pension benefits for all its permanent employees (and to non-permanent employees who elect to participate) through the Public Service Pension Fund (“PSPF”) and the Ontario Public Service Employees’ Union Pension Fund (“OPSEU Pension Fund”). These are defined benefit pension plans for employees of the Province and many provincial agencies. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU Pension Fund, determines the Commission’s annual payments to the funds. As the sponsors are responsible for ensuring that the pension funds are financially viable, any surpluses or unfunded liabilities arising from statutory actuarial funding valuations are not assets or obligations of the Commission. The Commission’s annual payments of \$ 2,722,839 (2018 - \$ 2,451,210), of which \$1,361,420 (2018 - \$ 1,225,605) represents the employees’ portion, are included in the administrative and police expense on the Statement of Operations.

The cost of post-employment, non-pension benefits are paid by the Province and therefore are not included in the Statement of Operations.

The Niagara Parks Commission

Notes to the Financial Statements

For the year ended March 31, 2018

8. Power plant stabilization obligation

The Province of Ontario directed the Commission to accept ownership of three former electricity generating power stations all located within Commission lands.

The Toronto Power Generating Station (“TPGS”) and the Ontario Power Generating Station (“OPGS”) were transferred by Ontario Power Generation Inc. (“OPG”) to the Commission at no cost in August, 2007. As part of the terms of transfer of TPGS and OPGS, OPG was to undertake certain structural and environmental work to ensure that the buildings were no threat to the public. The Canadian Niagara Power Generating Station (“CNPGS”) previously owned by Fortis Ontario was transferred April 30, 2009.

The Ministry of Tourism engaged the services of an architectural firm (The Ventin Group Inc.) to ensure that the original Government Directive governing the initial transfer was complied with and to identify work and related costs required to “stabilize and mothball” all the facilities until an ultimate use for the buildings can be determined. The Ventin Group identified the remaining lead paint at the TPGS and OPGS as a deficiency which OPG should have resealed or encapsulated after cleaning. The Ventin Group reported that there are substantial costs required to bring the three power stations to what would be considered a “mothball” state. Therefore, additional costs would be required to bring these buildings to a “development ready” state. Further, there are in existence certain secondary structures related to TPGS and OPGS that were not accounted for in the original Government Directive that will result in additional remediation costs at some point in the future.

The Commission is of the belief that the acceptance of these power generating stations will require a significant infusion of funds.

VFA, Inc. has reviewed the infrastructure through site visits and prepared estimates using standard engineering formulas. Further, they have provided the Commission with their assessment and a requirements list report providing costs for each component of stabilization required, as well as the timing of when these costs should be incurred. Commission engineering staff have reviewed the list and categorized the costs by year according to urgency and based on expected available funding, with the most urgent requirements addressed first. In addition, the Commission undertook several studies to determine critical underground infrastructure that needs replacing, including seismic studies, review of intake gates, geophysical and geotechnical settlement and a stability investigation.

This obligation represents the Commission’s best estimate of the costs required to “stabilize and mothball” the three power stations based on the information noted above. The power plant stabilization obligation represents works identified in the Asset Management Information System (AMIS) database and is based on condition assessments completed by VFA Inc. and current costs to undertake the improvements.

The Niagara Parks Commission

Notes to the Financial Statements

For the year ended March 31, 2019

8. Power plant stabilization obligation (continued)

The stabilization obligation as of March 31, 2019 has been calculated to be \$ 26,295,392 (2018 - \$26,134,012):

	<u>2019</u>	<u>2018</u>
	<i>(in thousands of dollars)</i>	
Power plant stabilization obligation		
Beginning of year	\$ 26,134	\$ 29,414
Actual work performed during year		
Commission funded	(414)	(2,681)
Grant funded	-	(54)
Net increase (decrease) in change in value of power plant stabilization obligation	<u>575</u>	<u>(545)</u>
End of year	<u>\$ 26,295</u>	<u>\$ 26,134</u>

The net increase of \$ 161,380 in the power plant stabilization obligation is the result of the following:

- a) a reassessment and update of the power plant sites conducted by VFA Inc. in December 2018 resulting in an increase of \$ 471,915
- b) an increase in actual costs compared to original estimates in the amount of \$ 103,192
- c) less the work completed during the 2018/2019 fiscal year of \$ 413,727

A capital asset has not been recorded for these properties as there is an impairment in their value, which has been documented in the various studies carried out to date.

The Commission has incurred annual costs related to maintenance and security for all sites and has recorded them in the Statement of Operations and are included in the maintenance expense.

9. Liabilities for contaminated sites

The Commission reports environmental liabilities related to the management and remediation of any contaminated sites where the Commission is obligated or likely obligated to incur such costs. Currently no such contaminated sites have been identified and therefore no liability has been recorded.

The Commission's ongoing efforts to assess contaminated sites may result in future environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the Commission's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and reasonably estimable.

The Niagara Parks Commission

Notes to the Financial Statements

For the year ended March 31, 2019

10. Accumulated surplus	<u>2019</u>	<u>2018</u>
	<i>(in thousands of dollars)</i>	
Operating surplus	<u>\$ 8,734</u>	<u>\$ 8,124</u>
Investment in tangible capital assets	<u>146,634</u>	<u>136,445</u>
Unfunded		
Long term debt	<u>(22,743)</u>	<u>(24,714)</u>
Post-employment benefits	<u>(3,242)</u>	<u>(3,182)</u>
Power plant stabilization obligation	<u>(26,295)</u>	<u>(26,134)</u>
	<u>(52,280)</u>	<u>(54,030)</u>
Accumulated surplus	<u>\$ 103,088</u>	<u>\$ 90,539</u>

Surplus funds

Pursuant to Section 16(2) of the Niagara Parks Act, any surplus moneys shall, on the order of the Lieutenant Governor in Council, be paid to the Minister of Finance and shall form part of the consolidated revenue fund. As of March 31, 2019 no surplus moneys have been recorded as a liability to the Minister of Finance.

11. Commitments

The Commission has committed to approximately \$ 25,573,000 in capital works projects in the next year.

The Commission has two agreements with a franchisor requiring the payment of service fees as follows:

- a) Queen Victoria Place: 4.0% of gross sales, advertising and promotion fee of 2.5% of gross sales. The term of the agreement is ten years, expiring in October, 2022.
- b) Table Rock: 6.0% of gross sales, advertising and promotion fee of 1.0% of gross sales. The term of the agreement was twenty-seven months and expired in November 2018, however, operations are supported by a month to month agreement until October 31, 2019.

12. Contingencies

The Commission is in litigation pertaining to certain claims for which the likelihood of loss is not determinable and the amount not reasonably estimable. Accordingly, no provision for these claims is reflected in the financial statements.

The Niagara Parks Commission

Notes to the Financial Statements

For the year ended March 31, 2019

13. Statement of cash flows	<u>2019</u>	<u>2018</u>
	<i>(in thousands of dollars)</i>	
Changes in working capital components include		
Accounts receivable	\$ 247	\$ 3,319
Inventories – saleable and other	(488)	255
Accounts payable	(354)	(2,374)
Accrued payroll	1,821	1,226
Deferred revenue	151	81
Prepaid expenses	<u>(124)</u>	<u>53</u>
	<u>\$ 1,253</u>	<u>\$ 2,560</u>
Cash and cash equivalents consist of:		
Cash on hand	\$ 434	\$ 469
Cash balance with banks	<u>17,687</u>	<u>15,789</u>
	<u>\$ 18,121</u>	<u>\$ 16,258</u>

14. Comparative figures

Certain prior year amounts have been reclassified to conform to current year consolidated financial statement presentation.

The Niagara Parks Commission

Schedule of Tangible Capital Assets

For the year ended March 31, 2019

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings, Roadways and Structures</u>	<u>Equipment and Furnishings</u>	<u>Vehicles</u>	<u>Capital Works in Progress</u>	<u>2019</u>	<u>2018</u>
(in thousands of dollars)								
Cost								
Beginning of year	\$ 14,359	\$ 17,135	\$ 250,287	\$ 46,803	\$ 5,790	\$ 2,091	\$ 336,465	\$ 323,113
Add additions	-	-	14,290	2,703	887	1,520	19,400	14,250
Less disposals	-	-	(872)	(287)	(315)	-	(1,474)	(898)
Transfers of capital works in progress	-	-	1,632	459	-	(2,091)	-	-
End of year	<u>14,359</u>	<u>17,135</u>	<u>265,337</u>	<u>49,678</u>	<u>6,362</u>	<u>1,520</u>	<u>354,391</u>	<u>336,465</u>
Accumulated amortization								
Beginning of year	-	-	129,378	40,289	3,370	-	173,037	164,500
Add amortization	-	-	7,566	1,703	486	-	9,755	9,430
Less disposals	-	-	(285)	(265)	(315)	-	(865)	(893)
End of year	-	-	<u>136,659</u>	<u>41,727</u>	<u>3,541</u>	-	<u>181,927</u>	<u>173,037</u>
Net book value	<u>\$ 14,359</u>	<u>\$ 17,135</u>	<u>\$ 128,678</u>	<u>\$ 7,951</u>	<u>\$ 2,821</u>	<u>\$ 1,520</u>	<u>\$ 172,464</u>	<u>\$ 163,428</u>

The Niagara Parks Commission

Schedule of Expenses by Object

For the year ended March 31, 2019

	Budget <u>2019</u>	Actual <u>2019</u>	Actual <u>2018</u>
(in thousands of dollars)			
Cost of goods sold	\$ 15,356	\$ 15,494	\$ 16,054
Salaries, wages and benefits	57,082	58,408	51,951
Sales and other	4,633	5,329	5,269
Equipment repairs and maintenance	5,197	5,335	4,843
Materials and supplies	2,850	2,823	2,896
Advertising and promotion	3,546	3,513	3,542
Facilities	7,212	6,731	6,837
Administrative	3,504	3,454	3,502
Special projects	<u>206</u>	<u>124</u>	<u>283</u>
	<u>\$ 99,586</u>	<u>\$ 101,211</u>	<u>\$ 95,177</u>