

2016

Annual Report



Table of Contents

History of Ontario Place Corporation	3
Chair's Message	6
Corporate Governance	7
2016 Board of Directors	7
Senior Management Team	8
Acknowledgements	8
Major Revenue Generating Third-Party Agreements	9
Description of Activities	10
Analysis of 2016 Operational Performance	12
Analysis of 2016 Financial Performance	14
Discussion of Performance Targets	16
OPC Revitalization: Key Milestones	18
Management's Responsibility for Financial Reporting	20
Independent Auditor's Report	21
Financial Statements	22
Notes to Financial Statements	27



Ontario Place Corporation 955 Lake Shore Boulevard West Toronto, ON Canada M6K 3B9 www.ontarioplace.com

An Agency of the Government of Ontario Ministry of Tourism, Culture and Sport

ONTARIO PLACE 2016 BY THE NUMBERS



SITE HIGHLIGHTS









PARKING SPOTS

MARINA SLIPS

OPC History

March 17, 1969





• OPC Construction began.

"It should be an exciting place, just as Ontario is an exciting and dynamic province."

– John Robarts, Premier of Ontario, 1970

1970s





- Ontario Place opened on May 22, 1971.
- Children's Village was opened on East Island.

"The vision and scope of Ontario Place gives promise of our vast potential."

- Bill Davis, Premier of Ontario, 1971

1980s





• Concrete silos representing Northern Ontario farm built on West Island.

1990s





- The Forum, a feature of Ontario Place, was replaced with the Molson Canadian Amphitheatre (now Budweiser Stage-2017) raising seating capacity from 8,000 to 16,000 for outdoor concerts.
- The Waterpark was updated and expanded in the 1990s.

2000 - 2010





- The Rogers Chinese Lantern Festival was a feature attraction from 2006 to 2008.
- In summer 2010, OPC launched the "My Ontario Place" pavilion and an interactive website to seek public input into new vision for its future in advance of its 40th anniversary in 2011.

2010 - 2015





- In 2011, OPC celebrated its 40th anniversary with special events including "free-gate" admission for the season.
- On February 1, 2012 the province announced plans to revitalize Ontario Place.
- At a special unveiling event in June 2015, Premier Kathleen Wynne announced the trail would be named after William G. Davis who was Premier when Ontario Place first opened in 1971.

2016





- OPC hosted the In/future Arts and Music Festival in September 2016, and was a premier multi-day cultural event.
- During 2016 OPC secured funding from Ministry of Tourism, Culture and Sport (MTCS) to host Ontario150 Festivals in 2017, that will be celebrating Ontario's excellence in food, arts, culture, recreation and innovation.
- OPC is making capital improvements to the West Island throughout this year to encourage the public to enjoy the site while long-term site transformation moves forward

Chair's Message

On behalf of the Board of Directors and the management team of Ontario Place Corporation (OPC), I am pleased to present the operating results for the year ending December 31, 2016.

This year has been a very exciting year at Ontario Place, in addition to the many events and activities that were held on the site in 2016, there has been continued operation and growth of the marina, and a focus on three major priorities for the upcoming 2017 year.

The first priority area was the planning and preparation for revitalization, which will also support site readiness to host several Ontario's 150th anniversary events in 2017. Preparations began with OPC submitting a proposal, receiving approval, and funding from the Ministry of Tourism, Culture and Sport (MTCS) to host Ontario150 Festivals celebrating Ontario's excellence in food, arts, culture, recreation and innovation. Upon receiving the approval to move forward with the festivals, the OPC team initiated actions to accomplish the task of preparing the site through a renovation, construction and cleanup.

The second priority area, and equally as important, was to plan and implement transformation strategies for Ontario Place, which included support of the construction for Trillium Park and William G. Davis Trail scheduled to open in 2017. Previously a parking lot, the Trillium Park and William G. Davis Trail, located on Ontario Place's eastern boundary, was designed after extensive consultation with the Indigenous communities, a vital element in revitalization of the land. The park and trail will open in 2017 and be an important continuation of the public's access to Toronto's open green space and spectacular waterfront. The park and trail will also be a critical gateway joining Ontario Place's waterfront spine to the Martin Goodman Trail and allowing public access into the site.

The third 2016-priority area was the development of infrastructure plans, which will also support the 2017 capital improvements to West Island, Cinesphere and two of the Pods while revitalization moves forward. The efforts are aimed at integrating the facilities and landmarks of Ontario Place to provide public use and encourage business partnerships of the site. Plans developed in 2016 for uses of these landmarks include reaching out to various Toronto organizations and developing collaborated efforts.

As part of our ongoing efforts in 2016 to make Ontario Place a destination of choice, OPC is excited to be working with our ongoing partners, including MTCS, the Canadian National Exhibition Association, the Board of Governors of Exhibition Place and the City of Toronto. The partners' input will help inform the new vision for Ontario Place as a year-round waterfront destination. OPC expects to help increase tourism in the area, create jobs, and develop exciting new opportunities along with experiences for Ontarians and visitors.

Penny Lipsett Chair

Ontario Place Corporation

Corporate Governance

Ontario Place Corporation (OPC) is a Board-Governed Provincial Agency of the Government of Ontario and is accountable to the Minister of Tourism, Culture and Sport (the ministry). The legislated authority of Ontario Place Corporation is *The Ontario Place Corporation Act, R.S.O. 1990, Chapter 0.34*. A Memorandum of Understanding between the ministry and OPC sets out the framework for accountability and the relationships between the General Manager and the Minister, the Chair, the Board, and the Deputy Minister of the ministry.

As outlined in the Ontario Place Corporation Act, it is the duty of OPC to develop, control, manage, operate and maintain Ontario Place. The Board of Directors holds governance accountability, provides strategic direction to OPC and is responsible for the effective oversight of its management. Under The Act, the Board shall consist of no fewer than seven (7) and not more than thirteen (13) members, appointed by the Lieutenant Governor in Council. The Board shall have one member be a director of the Canadian National Exhibition Association.

2016 Board of Directors

Board Member	Term	Per Day Remuneration	Total in 2016
Penny Lipsett Chair effective June 30, 2013	June 22, 2005 - October 17, 2017	\$140	\$5,250.00
Sonny Cho	May 4, 2011 - May 3, 2017	\$105	\$787.50
Linda Franklin* Chair, Strategic Planning Committee	May 7, 2003 - October 4, 2017	\$105	\$1,365.00
Timothy Jackson	October 22, 2014 - November 2, 2016	\$105	\$420.00
Jeffrey Kehoe	January 29, 2014 - January 28, 2017	\$105	\$630.00
Barry Steinberg	January 28, 2015 - January 27, 2017	\$105	\$630.00
Winston Young Chair, Audit Committee	December 2, 2009 – December 1, 2019	\$105	\$1,260.00
Anne Sado	September 14, 2016 – September 13, 2019	\$105	\$315.00
		Total	\$10,657.50

^{*} A director of the Canadian National Exhibition Association

Senior Management Team

Eriks Eglite	General Manager
Hunter Saggar	Senior Manager, Corporate Services
Mike Hazelton	Senior Manager, Operations and Infrastructure
Valerie Holliday	Executive Assistant to the General Manager

Acknowledgements

Ontario Place Corporation wishes to acknowledge and express its appreciation to the following partner organizations for their cooperation and assistance in 2016:

- Board of Governors of Exhibition Place
- Canadian National Exhibition Association
- City of Toronto
- Ministry of Tourism, Culture and Sport

Major Revenue Generating Third-Party Agreements

Live Nation Canada Inc.

OPC has a long-term lease agreement with Live Nation Canada Inc. for the management and operation of the Amphitheatre (renamed Budweiser Stage in 2017). The stage is a summer concert venue that presents domestic and international entertainment; it has a capacity of approximately 16,000 guests.

OPC continues to work with Live Nation under the terms of its lease agreement.

Atlantis Pavilions Inc.

Atlantis Pavilions Inc., which operated the Atlantis banquet facility at Ontario Place Corporation, reached an early termination agreement with Ontario Place and Atlantis Pavilions Inc. vacated the premises on November 11, 2016.

Description of Activities

In addition to managing lease agreements and operations with Live Nation and Atlantis Pavilions Inc., Ontario Place Corporation manages the following activities:

Site Rentals

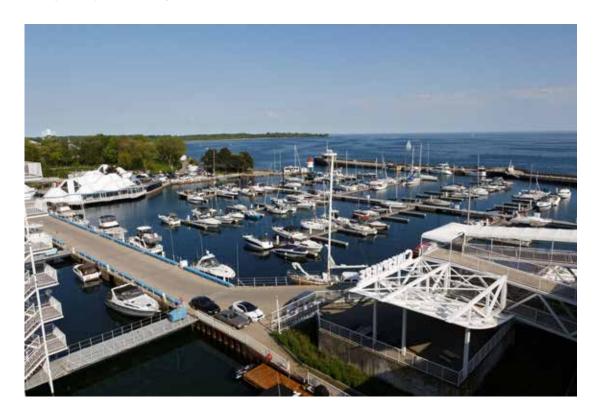
In 2016, OPC continued to facilitate short-term rentals for third party usage of the site, ranging from small-to large-scale single-day and multi-day events that included the Mac and Cheese Festival, Toronto Triathlon Festivals, as well as in/future Arts and Music Festival. Site rentals also included television and promotional film shoots.

Parking Lots

Ontario Place Corporation operates four parking lots with a capacity of over 1,256 parking spaces. The parking lots cover approximately 350,000 square feet of outdoor space easily accessible from Lake Shore Boulevard West, major highways, public transit (TTC and GO Transit at Exhibition Station) and the Martin Goodman Trail. The lots generate revenue from individual pay parking fees for concerts and other events in the area, as well as whole or half lot rentals for a range of corporate, commercial and charity events.

Ontario Place Marina

Since its inception, the Ontario Place Marina has been a popular mooring facility. The Marina has a 240-slip capacity and is available for daily, monthly and seasonal rental. The Marina offers space to both power and sail boats ranging in sizes from 15 to over 60 feet in length. The Ontario Place Marina opens in May and operates through to mid-October.



The Marina offers the following services:

- 24 hour-a-day dock access control
- 15/30/50 amp shore power hook-up
- Water hook-up
- Gas and diesel fuel, pump-out
- Private washrooms and showers
- Laundry/ice/pump-out
- Monitoring of VHF Channel 68
- Ontario Place security
- Marina staff
- Complimentary high-speed wireless internet

Analysis of 2016 Operational Performance

Business Development

- The number of total site rentals, including Echo Beach events, increased from 69 in 2015 to 78 in 2016.
- Due to increased site rentals, parking revenues increased by 24% from \$1,247,000 in 2015 to \$1,549,000 in 2016.
- The number of third party events held on the site doubled from 16 in 2015 to 30 in 2016 with 21 events having attendance of more than 1,000 visitors.
- Site rentals provided opportunities for artistic, educational, sporting, commercial, culinary, community and charitable activities at Ontario Place.
- In 2016, OPC worked with 52 distinct organizations to support 91 site use activations.
- The 2nd annual Mac and Cheese Festival was hosted for the first time at Ontario Place, with the organizers reporting attendance of over 40,000 visitors during the three days of the festival.

Ontario Place Marina

- The Tuck Shop at the fuel dock continued to offer snacks and other supplies to boaters.
- Seasonal dockage for 225 vessels was provided in 2016 compared to 190 vessels in 2015, which represents an 18% increase.
- Linear moorage decreased from 5,853 feet in 2015 to 5,306 feet in 2016.
- Gross revenues increased by 12% due to an increase in the number of seasonal dock holders and increased retail sales.
- Seasonal dockage revenues increased by 17% from \$490,018 in 2015 to \$574,891 in 2016 due to new and returning boaters.

Operational Activities

- 155 acres of land and water lots, buildings, green space, roads, and infrastructure are managed and maintained by full-time operations staff, and supplemented by summer students. Operations staff also provide key support to year-round events operations.
- The Parking and Traffic team, staffed by students, provided enhanced customer service in the parking areas during the busy summer events season.

Human Resources

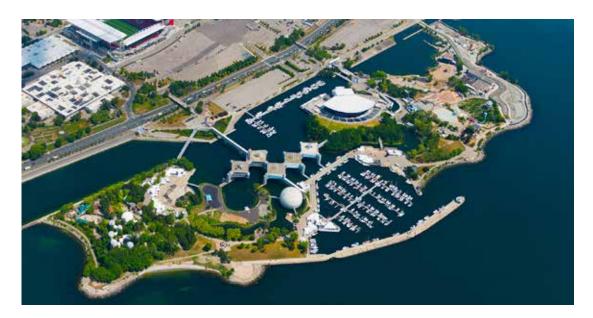
- In 2016, OPC's Full-time Equivalent (FTE) cap was increased by five FTEs to a total of 26 FTEs which was supplemented with 57 summer students during the peak season (May-August).
- The OPC organizational structure is under review and will be addressed to support new responsibilities and initiations.

Health and Safety

- OPC continues to monitor operations and control site traffic, protect property and corporate assets, and maintain public safety.
- In 2016, OPC focused its capital spending on health and safety projects, such as repairs to bridges and enhancements to site lighting.
- OPC continues to work closely with its security provider to implement security protocols required for increased site usage and activity.
- Management implemented improvements to the site-wide Hazard Awareness Program, including identifying and monitoring designated substances.
- All water stations were upgraded with new life saving poles.
- Two new automated external defibrillators (AEDs) were added achieve a total count of six AEDS to meet health and safety standards.

Corporate Activities

- OPC filed an appeal with the City of Toronto regarding property valuation assessment by the Municipal Property Assessment Corporation for tax years 2009-14. A settlement was reached in March 2016 and management expects a refund of approximately \$2.6 million. The refund will be recorded as a recovery of prior year's property taxes in the year it is received.
- A number of studies were initiated and completed to support future operations and site redevelopment, including:
 - Research and Market Analysis for interim uses (2016)
 - Establishment of conceptual Ontario Place lighting design parameters (2016)
 - Mainland access and circulation study for parking and traffic (2016-17)
 - Evaluation of Cinesphere's digital projection capabilities (2016)
 - Analysis of Cinesphere's HVAC (2016)
 - Assessment of the Pods and Bridges (2016)



Analysis of 2016 Financial Performance

During the transition to revitalization, the following businesses continue to operate:

- 1. The Amphitheatre (renamed Budweiser Stage in 2017)
- 2. Atlantis Pavilions (ended November 11, 2016)
- 3. Ontario Place Marina
- 4. Parking lot operations, including parking lot and site rentals
- 5. Echo Beach

The following summary of 2016 financial performance is an extract from the Audited Financial Statements.

2016 Financial Performance Summary

	2016 Actuals	2015 Actuals
Revenues	\$7,239,000	\$6,176,000
Expenses	(\$6,970,000)	(\$6,263,000)
Province of Ontario operating funding	\$2,070,000	\$1,625,000
One time settlement expense	-	(6,500,000)
Province of Ontario restricted funding	-	6,000,000
Net	\$2,339,000	\$1,038,000

OPC's 2016 total revenue (\$7,239,000) represent a 17% increase over the 2015 (\$6,176,000) revenue. The 2016 expenses (\$6,970,000) for OPC represent an 11% increase over 2015 (\$6,263,000 excluding a one-time settlement expense).

(Note: these reports differ in presentation format from the Audited Financial Statements)

Analysis of 2016 Key Revenue Streams and Performance

	20	16	20	15		er year % to 2016)
	Gross Revenue	Performance	Gross Revenue	Performance	Revenue	Performance
Amphitheatre (Budweiser Stage)	\$3,306,000	529,601 guests	\$2,614,000	401,467 guests	26% increase	32% increase
Atlantis Pavilions	\$278,000	34,738 guests	\$392,000	39,084 guests	29% decrease	11% decrease
Marina & Retail Sale	\$807,000	5,306 linear feet moorage	\$719,000	5,853 linear feet moorage	12% increase	9% decrease
Parking	\$1,549,000	-	\$1,247,000	-	24% increase	-
Site Event Rentals	\$957,000	78 Events	\$894,000	69 Events	7% increase	13% increase
Other Revenue (cell towers/signs)	\$342,000	-	\$310,000	-	10% increase	-
TOTAL	\$7,239,000		\$6,176,000		17% increase	

The table above represents an analysis of all revenues attributable to 2016 business areas as reported in the 2016 and 2015 Audited Financial Statements. (Note: these reports differ in presentation format from the Audited Financial Statements).

During 2016, revenues from Amphitheatre stage, Marina & Retail Sale, Parking and Site rental, increased over 2015 revenues.

Discussion of 2016 Performance Targets for OPC

The following operational priorities were approved by the Board and Minister as part of the 2016 Business Plan and, in each case, 2016 performance is indicated.

Priority 1:

Create and maintain an effective organizational structure that supports short-term and long-term corporate responsibilities.

2016 Performance:

In 2016, OPC worked with the ministry and HR Ontario to create an OPC organizational structure to reflect its expanded responsibilities with respect to operational development, preparation for the Ontario 150th celebration year in 2017, and increased use of the site.

To support the day-to-day operations of the annual growth of event rentals (over 13% increase from 69 in 2015 to 78 in 2016) and growing revenue stream, a Sales and Events Management branch was created with the addition of two FTEs.

The Ontario 150 Unit was formed, comprised of two additional FTEs to support preparations for the sesquicentennial celebrations.

A dedicated health and safety position was established to support site operations efficiently during events and to ensure health and safety standards were met at all times.

Priority 2:

Develop, plan and implement pre-revitalization programs and events at OPC that generate maximum revenues and/or social benefit and may support revitalization planning and development.

2016 Performance:

In 2016, OPC piloted a number of events on the West Island to assess their operational and financial viability. OPC worked with third-party event organizers to host multi-day events such as the Mac and Cheese Festival, Toronto Triathlon Festivals, as well as in/future Arts and Music Festival. These activations were the first public events held on the West Island since the 2012 partial closure. Clients and event guests expressed satisfaction with the venue and identified OPC as a new and desirable location for future festivals. By October 2016, demand for site rentals exceeded availability for the upcoming 2017 festival season.

These pilot projects made it possible for OPC to assess and make a number of operational and process improvements to the site that will support the delivery of pre-revitalization programs, including the Ontario150 festivals. Minor site improvements will enhance our clients' ability to increase attendance and improve operations.

Prevailing media and public perception that the site is completely closed challenged our clients' ability to promote their events and drive attendance. Increased promotion of OPC as a desirable venue for third party events will help to change this impression. OPC and the ministry will work together to raise awareness.

Facility rental financial performance, including the parking lot rentals, increased from a total of \$2,141,000 in 2015 to a total of \$2,506,000 in 2016, or an approximate increase of 17%.

From 2015 to 2016, operating revenue increased by approximately 17% while corresponding operating expenses increased by only 11%.

Priority 3: Working with the ministry, OPC to have shared responsibility for the

planning, development and implementation of the future phases of OPC

Revitalization.

2016 Performance: OPC worked with the ministry on the Urban Park and William G. Davis Trail

operational transfer.

In addition, in 2016, OPC received approval to host Ontario150 festivals in 2017. Festivals target all audiences, including families, millennials, and

multicultural communities.

OPC Revitalization: Key Milestones

February 1, 2012

The province announced the closure of the waterpark, amusement rides and the Cinesphere to allow for OPC revitalization. A panel of community and business leaders chaired by John Tory established to advise the Minister of Tourism, Culture and Sport on a new vision for OPC. The Molson Canadian Amphitheatre, Atlantis Pavilions, Ontario Place Marina and parking lots remained open until construction begins.

June 5, 2012

John Tory and the Minister's Advisory Panel (MAP) host an in-person and virtual town hall to gather ideas from Ontarians on what people would like to see at a new Ontario Place.

July 26, 2012

MAP developed its recommendations and prepared a report on Ontario Place Corporation Revitalization, which it submitted to the government. The overarching recommended theme is to transform OPC into a year-round, multi-use waterfront community and urban park for all Ontarians to enjoy.

September 1, 2012

The province began research on the future development of the OPC site.

December 1, 2012

Ontarians shared their ideas about the new vision for OPC with the Province via town halls and social media.

June 26, 2013

The Province announced the first step toward revitalization: the development of a new urban park and waterfront trail on the East Island of the site that will provide residents and visitors access to parts of the waterfront that were previously restricted to public access.

November 12, 2013

The Province announced the selection of the redevelopment team, LANDinc and West 8, to design the urban park and waterfront trail. The companies were chosen for their extensive local and international experience in planning and designing large waterfront park projects.

December 2013 to March 2014

The Province launched public meetings and online consultations encouraging Ontarians to help shape the vision for the urban park and waterfront trail at key stages in the design process. Ontarians were also invited to provide feedback on the Environmental Assessment.

March 19, 2014

The design for the urban park and waterfront trail was presented at a public meeting. Key features of the urban park and waterfront trail include: an upper and lower park, a ravine gateway honouring First Nations' heritage, a romantic garden, a rocky bluff for play, and a gentle summit to take in views of Lake Ontario.

July 31, 2014

The Province announced its long-term vision for OPC with a proposed mix of features, that included; a collection of green spaces; a blue park for water activities; flexible spaces for festivals; exploring options to bring live music to the site year-round; a culture, discovery and innovation hub; a canal district with shops and restaurants; conservation of the Cinesphere and Pods and a pedestrian land bridge to Exhibition Place.

Fall 2014

Phase 1 construction began on the urban park and waterfront trail. The design for the urban park and waterfront trail was informed by public consultation. The MTCS Ontario Place Revitalization Branch consulted OPC to initiate planning of programming for the urban park and waterfront trail.

June 24, 2015

Ontario named the waterfront trail on the East Island to honour former Premier William G. Davis.

Spring 2016

Construction of the Urban Park and William G. Davis Trail continued with a completion date of summer 2017.

Summer-Fall 2016

OPC collaborated with third party event organizers to host multi-day events such as the Mac and Cheese Festival, Toronto Triathlon Festivals as well as in/future Arts and Music Festival. These activations mark the first public events held on the West Island since the 2012 partial closure.

A number of site studies are conducted in support of future site development and revitalization such as:

- Research and Market Analysis for interim uses (2016)
- Establishment of conceptual Ontario Place lighting design parameters (2016)
- Mainland access and circulation study for parking and traffic (2016-17)
- Evaluation of Cinesphere's digital projection capabilities (2016)
- Analysis of Cinesphere's HVAC (2016)
- Assessment of the Pods and Bridges (2016)

Fall 2016

OPC submitted a proposal to host Ontario 150 Festivals in 2017 and received approval and funding from the ministry.

Management's Responsibility for Financial Reporting

June 22, 2017

Management's Responsibility for Financial Reporting

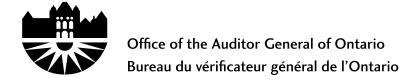
The management of Ontario Place Corporation is responsible for the integrity and fair presentation of the financial statements accompanying this report. The financial statements have been prepared in accordance with Canadian public sector accounting standards and of necessity include some amounts that are based on estimates and judgements.

Ontario Place maintains systems of internal accounting controls designed to provide reasonable assurance that the financial information is accurate and reliable, the company assets and liabilities are adequately accounted for and assets are safeguarded. The systems include policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

The financial statements have been reviewed by Ontario Place's Audit Committee and have been approved by its Board of Directors. In addition, the financial statements have been audited by the Office of the Auditor General of Ontario, whose responsibility it is to express an opinion on whether they have been prepared in accordance with Canadian public sector accounting standards. The Independent Auditor's Report that appears as part of the financial statements outlines the scope of the Auditors examination and opinion.

On behalf of management:

Nancy Rowland General Manager(A) Hunter Saggar Senior Manager, Corporate Services Tsong Liu, CPA, CGA, MBA Financial Controller



Independent Auditor's Report

To Ontario Place Corporation and to the Minister of Tourism, Culture and Sport

I have audited the accompanying financial statements of the Ontario Place Corporation, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

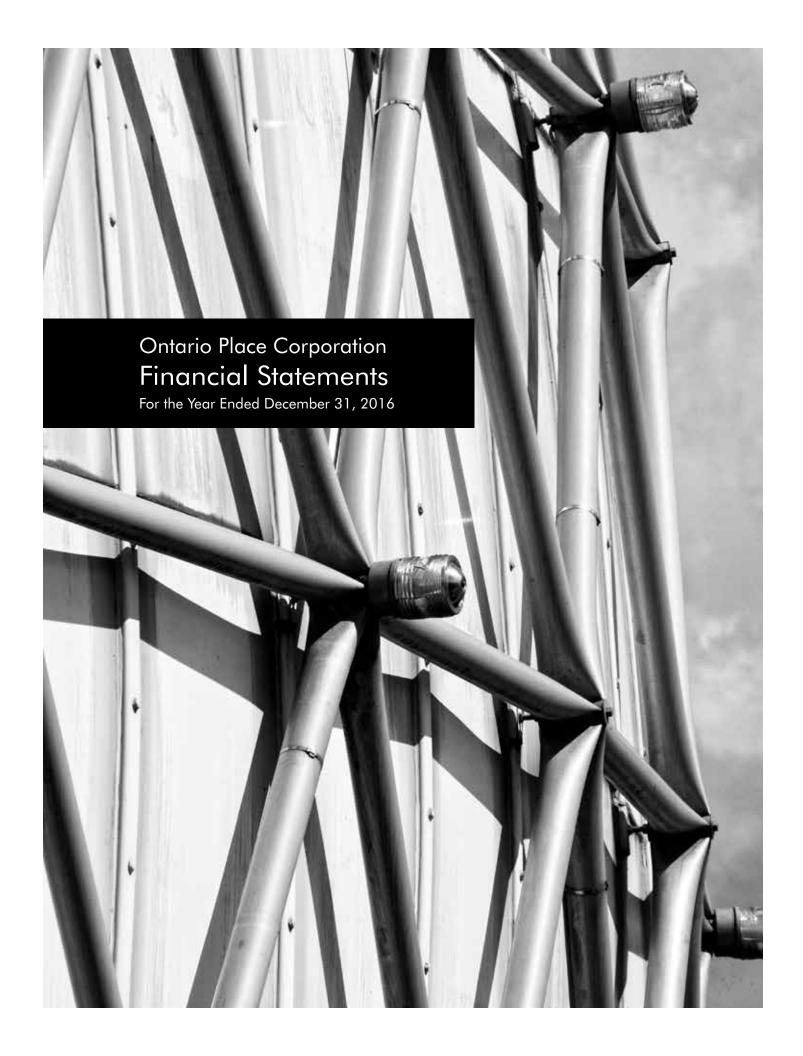
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Place Corporation as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Toronto, Ontario June 22, 2017 Susan Klein, CPA, CA, LPA Assistant Auditor General



Statement of Financial Position As at December 31, 2016

ACCOUNTED TABSETS Current Curr	7.5 d. 25com25. 61, 2616	2016 (\$000)	2015 (\$000)
Cash and cash equivalents 9,882 7,611 Cash – restricted [Note 3] 259 1,654 Accounts receivable [Note 4] 2,608 2,257 Inventory 3 18 Prepoid expenses and deferred charges 33 45 Non-current Assets 12,785 11,585 Non-current Assets 2 109,006 108,821 Remediation funding receivable [Note 7] 50,000 50,000 159,006 158,823 171,791 170,406 LIABILITIES AND NET ASSETS Total Liabilities 2,819 2,568 Accounts payable and accrued liabilities [Note 6] 2,819 2,568 Accrued employee benefits obligation [Note 10(B)] 58 56 Due to the Province of Ontario 62 135 Deferred revenue 62 78 Long Term Liabilities Accrued employee benefits obligation [Note 10(B)] 153 138 Liability for contaminated site [Note 7] 50,000 50,000 Deferred remediation funding 50,053 50,133 Deferred capital con	<u>ASSETS</u>	• •	
Cash - restricted [Note 3]			
Cash - restricted [Note 3]	Cash and cash equivalents	9,882	7,611
Accounts receivable [Note 4] 2,608 2,257 Inventory 3 18 Prepaid expenses and deferred charges 33 45 Non-current Assets Capital assets [Note 5] 109,006 108,821 Remediation funding receivable [Note 7] 50,000 50,000 ElaBILITIES AND NET ASSETS Current Liabilities Accounts payable and accrued liabilities [Note 6] 2,819 2,568 Accrued employee benefits obligation [Note 10(B)] 58 56 Due to the Province of Ontario 62 135 Deferred revenue 62 78 Long Term Liabilities Accrued employee benefits obligation [Note 10(B)] 153 138 Liability for contaminated site [Note 7] 50,000 50,000 Deferred remedication funding 50,000 50,000 Deferred capital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Notes 3 & 8] 259 1,154 Towspent deferred capital contributions [Notes 3 & 8] 259 1,154 Unrestricted (40,114) <	•		
Inventory 3 18 Prepaid expenses and deferred charges 33 45 12,785 11,585 12,785 11,585 Non-current Assets Capital assets [Note 5] 109,006 108,821 Remediation funding receivable [Note 7] 50,000 50,000 159,006 158,823 171,791 170,406 ILABILITIES AND NET ASSETS		2,608	
Prepaid expenses and deferred charges 33 45 Non-current Assets 12,785 11,585 Capital assets [Note 5] 109,006 108,821 Remediation funding receivable [Note 7] 50,000 50,000 List [Note 5] 159,006 158,823 List [Note 5] 171,791 170,406 List [Note ASSETS Current Liabilities Accrued employee benefits obligation [Note 10(B)] 58 56 Due to the Province of Ontario 62 78 Deferred revenue 62 78 Long Term Liabilities 3,001 2,837 Long Term Liabilities 153 138 Accrued employee benefits obligation [Note 10(B)] 153 138 Liability for contaminated site [Note 7] 50,000 50,000 Deferred remediation funding 50,05 50,000 Deferred capital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Note 8] 6,810	Inventory	3	18
Non-current Assets Note 5 109,006 108,821 Remediation funding receivable [Note 7] 50,000 50,000 159,006 158,823 171,791 170,406 171,791 171,791 170,406 171,791 171,791 170,406 171,791 171,791 170,406 171,791 171,791 170,406 171,791 171,791 170,406 171,791 171,791 171,	Prepaid expenses and deferred charges	33	45
Capital assets [Note 5] 109,006 108,821 Remediation funding receivable [Note 7] 50,000 50,000 159,006 158,823 171,791 170,406 LIABILITIES AND NET ASSETS Current Liabilities Accounts payable and accrued liabilities [Note 6] 2,819 2,568 Accrued employee benefits obligation [Note 10(B)] 58 56 Due to the Province of Ontario 62 135 Deferred revenue 62 78 Accrued employee benefits obligation [Note 10(B)] 153 138 Liability for contaminated site [Note 7] 50,000 50,000 Deferred remediation funding 50,000 50,000 Deferred remediation funding 50,000 50,000 Deferred capital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Notes 3 & 8] 259 1,154 10 1,682 101,682 101,682 Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453) <td></td> <td>12,785</td> <td>11,585</td>		12,785	11,585
Remediation funding receivable [Note 7] 50,000 50,000 159,006 158,823 171,791 170,406 LIABILITIES AND NET ASSETS Current Liabilities Accounts payable and accrued liabilities [Note 6] 2,819 2,568 Accrued employee benefits obligation [Note 10(B)] 58 56 Due to the Province of Ontario 62 135 Deferred revenue 62 78 Accrued employee benefits obligation [Note 10(B)] 153 138 Liability for contaminated site [Note 7] 50,000 50,000 Deferred remediation funding 50,153 50,138 Deferred acquital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Notes 3 & 8] 259 1,154 57,069 58,202 Net Assets 101,682 101,682 Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453)	Non-current Assets		
Remediation funding receivable [Note 7] 50,000 50,000 159,006 158,823 171,791 170,406 LIABILITIES AND NET ASSETS Current Liabilities Accounts payable and accrued liabilities [Note 6] 2,819 2,568 Accrued employee benefits obligation [Note 10(B)] 58 56 Due to the Province of Ontario 62 135 Deferred revenue 62 78 Accrued employee benefits obligation [Note 10(B)] 153 138 Liability for contaminated site [Note 7] 50,000 50,000 Deferred remediation funding 50,153 50,138 Deferred acquital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Notes 3 & 8] 259 1,154 57,069 58,202 Net Assets 101,682 101,682 Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453)	Capital assets [Note 5]	109,006	108,821
159,006 158,823 171,791 170,406 171,791 170,406 171,791 170,406 171,791 170,406 171,791 170,406 171,791 170,406 171,791 170,406 171,791 170,406 171,791 170,406 171,791 170,406 170,406 170,406 170,406 170,406 170,			
Current Liabilities		159,006	158,823
Current Liabilities Accounts payable and accrued liabilities [Note 6] 2,819 2,568 Accrued employee benefits obligation [Note 10(B)] 58 56 Due to the Province of Ontario 62 135 Deferred revenue 62 78 3,001 2,837 Long Term Liabilities 3,001 2,837 Accrued employee benefits obligation [Note 10(B)] 153 138 Liability for contaminated site [Note 7] 50,000 50,000 Deferred remediation funding 50,000 50,000 Deferred capital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Notes 3 & 8] 259 1,154 57,069 58,202 Net Assets 101,682 101,682 Unrestricted (40,114) (42,453) 61,568 59,229		171,791	170,406
Accounts payable and accrued liabilities [Note 6] 2,819 2,568 Accrued employee benefits obligation [Note 10(B)] 58 56 Due to the Province of Ontario 62 135 Deferred revenue 62 78 3,001 2,837 Long Term Liabilities 3,001 2,837 Accrued employee benefits obligation [Note 10(B)] 153 138 Liability for contaminated site [Note 7] 50,000 50,000 Deferred remediation funding 50,000 50,000 Deferred acquital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Notes 3 & 8] 259 1,154 57,069 58,202 Net Assets 101,682 101,682 Unrestricted (40,114) (42,453) 41,568 59,229	LIABILITIES AND NET ASSETS		
Accrued employee benefits obligation [Note 10(B)] 58 56	Current Liabilities		
Due to the Province of Ontario 62 135 Deferred revenue 62 78 Accrued Term Liabilities 3,001 2,837 Long Term Liabilities 3,001 2,837 Accrued employee benefits obligation [Note 10(B)] 153 138 Liability for contaminated site [Note 7] 50,000 50,000 50,153 50,138 Deferred remediation funding 50,000 50,000 Deferred capital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Notes 3 & 8] 259 1,154 57,069 58,202 Net Assets Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453) 61,568 59,229	Accounts payable and accrued liabilities [Note 6]	2,819	2,568
Deferred revenue 62 78 3,001 2,837	Accrued employee benefits obligation [Note 10(B)]	58	56
Solution Solution	Due to the Province of Ontario	62	135
Long Term Liabilities Accrued employee benefits obligation [Note 10(B)] 153 138 Liability for contaminated site [Note 7] 50,000 50,000 50,153 50,138 Deferred remediation funding 50,000 50,000 Deferred capital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Notes 3 & 8] 259 1,154 57,069 58,202 Net Assets 101,682 101,682 Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453) 61,568 59,229	Deferred revenue	62	78
Accrued employee benefits obligation [Note 10(B)] 153 138 Liability for contaminated site [Note 7] 50,000 50,000 50,153 50,138 Deferred remediation funding 50,000 50,000 Deferred capital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Notes 3 & 8] 259 1,154 57,069 58,202 Net Assets 101,682 101,682 Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453) 61,568 59,229		3,001	2,837
Deferred remediation funding 50,000 50,000	Long Term Liabilities		
Deferred remediation funding 50,000 50,000 Deferred capital contributions [Note 8] 6,810 7,048 T,048 T,049 T	Accrued employee benefits obligation [Note 10(B)]	153	138
Deferred remediation funding 50,000 50,000 Deferred capital contributions [Note 8] 6,810 7,048 259 1,154 57,069 58,202 Net Assets Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453) 61,568 59,229	Liability for contaminated site [Note 7]	50,000	50,000
Deferred capital contributions [Note 8] 6,810 7,048 Unspent deferred capital contributions [Notes 3 & 8] 259 1,154 57,069 58,202 Net Assets Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453) 61,568 59,229		50,153	50,138
Unspent deferred capital contributions [Notes 3 & 8] 259 1,154 57,069 58,202 Net Assets 101,682 101,682 Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453) 61,568 59,229	Deferred remediation funding	50,000	50,000
Net Assets 57,069 58,202 Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453) 61,568 59,229	Deferred capital contributions [Note 8]	6,810	7,048
Net Assets Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453) 61,568 59,229	Unspent deferred capital contributions [Notes 3 & 8]	259	1,154
Invested in capital assets [Note 9] 101,682 101,682 Unrestricted (40,114) (42,453) 61,568 59,229		57,069	58,202
Unrestricted (40,114) (42,453) 61,568 59,229	Net Assets		
61,568 59,229	Invested in capital assets [Note 9]	101,682	101,682
	Unrestricted	(40,114)	(42,453)
171,791 170,406		61,568	59,229
		171,791	170,406

See accompanying schedules and notes to financial statements.

Approved on behalf of the Corporation:

Chair

Board Member, Chair of Audit Committee

Statement of Operations for the Year Ended December 31, 2016

	2016	2015
	(\$ 000)	(\$ 000)
Operating revenue [Schedule 1]	7,239	6,176
Administrative and operating expenses [Schedule 2]	7,400	6,330
Operating deficit before the undernoted items	(161)	(154)
Ontario Place Revitalization[Note 13]	172	(6,402)
HST reassessment [Note 14]	258	-
Total undernoted items	430	(6,402)
Operating surplus/ (deficit) before the following:	269	(6,556)
Province of Ontario operating grant	2,070	1,625
Province of Ontario restricted grant [Note 13]	-	6,000
Amortization of deferred capital contributions	1,133	835
Amortization of capital assets	(1,133)	(835)
Amortization of capital assets under lease	-	(31)
	2,070	7,594
Excess of revenue over expenses	2,339	1,038

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Statement of Changes in Net Assets for the Year Ended December 31, 2016

	2016 (\$ 000)			2015 (\$ 000)
-	Invested in Capital Assets	Unrestricted	Total	Total
Net assets, beginning of year	101,682	(42,453)	59,229	58,191
Excess of revenues over expenses	-	2,339	2,339	1,038
Net assets, end of year	101,682	(40,114)	61,568	59,229

See accompanying schedules and notes to financial statements.

Statement of Cash Flows for the Year Ended December 31, 2016

	2016 (\$ 000)	2015 (\$ 000)
Operating Activities		
Excess of revenues over expenses	2,339	1,038
Adjustments for items not requiring an outlay of cash		
Gain on sale of capital assets	(172)	(99)
Amortization of capital assets	1,133	835
Amortization of leased capital asset	-	31
Amortization of deferred capital contributions	(1,133)	(835)
Net change in non-cash working capital	(160)	(296)
Long-term portion of accrued employee benefits obligation	15	(11)
Cash used in operating activities	2,022	663
Capital Activities		
Capital asset acquisitions	(1,318)	(300)
Proceeds on sale of capital assets, net	172	99
Cash used in investing activities	(1,146)	(201)
Financing Activities		
Obligation under capital lease principal paid	-	(73)
Cash used in financing activities	-	(73)
Increase in cash during the year	876	389
Cash, beginning of year	9,265	8,876
Cash, end of year	10,141	9,265
Cash and cash equivalents	9,882	7,611
Cash – restricted	259	1,654
- -	10,141	9,265

See accompanying schedules and notes to financial statements.

Schedules of Operating Revenue and Administrative and Operating Expenses for the Year Ended December 31, 2016

	2016 (\$ 000)	2015 (\$ 000)
Schedule 1		
Operating Revenue		
Amphitheatre	3,306	2,614
Parking	1,549	1,247
Concessions and facility rental	1,235	1,286
Marina	598	518
Other revenue	268	245
Marina retail sales	209	201
Interest income	74	65
	7,239	6,176
Schedule 2 Administrative and Operating Expenses		
Salaries and wages	1,776	1,461
Employee benefits [Note 10]	300	274
Site maintenance	1,790	1,234
Administration and property tax	1,761	1,538
Utilities	1,215	1,243
Supplies	229	229
Cost of retail sales	147	169
Janitorial	115	126
Transportation and communications	49	56
Special project (Ontario 150)	18	-
	7,400	6,330

See accompanying notes to financial statements.

Notes to Financial Statements December 31, 2016

1. Nature of Operations

The Ontario Place Corporation, (the "Corporation" or "Ontario Place") is a provincial Crown agency, incorporated under the *Ontario Place Corporation Act* R.S.O. 1990. The Corporation is exempted from federal and provincial income taxes.

Up until February 1, 2012, the Corporation operated as a provincial exhibit and recreational centre built on a 155-acre site extending through three islands created using landfill along the Toronto waterfront. The site was intended to provide visitors with an appreciation of the Province's resources and accomplishments.

On February 1, 2012 the Minister of Tourism, Culture and Sport announced the partial closure and revitalization of Ontario Place. It was announced that the following operations would remain open while revitalization plans were developed: Ontario Place Marina, Molson Canadian Amphitheatre, Atlantis Pavilion and the parking lots. All other operations, including the Cinesphere, Waterpark, amusement rides and games and concession stands were closed.

In addition to the various services operated by Ontario Place, the Corporation enters into a number of licence, ground lease and special event agreements with various private-sector companies. The fees charged for these event agreements are subject to approval by the Ministry of Tourism, Culture and Sport, through the fee schedule presented in the annual Ontario Place Business Plan.

The Corporation receives grants from the Province to partially cover the costs of ongoing operations.

2. Significant Accounting Policies

(A) BASIS OF ACCOUNTING

The financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards including the standards for government not-for-profit organizations.

(B) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and cashable fixed-term guarantee income certificate.

(C) REVENUE RECOGNITION

Grants are recognized on an accrual basis.

Provincial grants restricted for the purchase of capital assets are deferred and amortized into revenue over the same period as the related capital asset.

Provincial grants received to remediate contamination on the site are deferred and recognized in revenue when the related remediation costs are incurred.

Revenue from parking, rentals, concessions and marina dockage are recognized when the goods or services are provided.

Revenue from amphitheatre represents rental revenue for the ground lease as determined by contractual agreement; in addition, revenue is calculated on an escalating scale based on the level of gross revenue achieved at the amphitheatre in excess of a base rent amount.

(D) INVENTORY

Supplies inventory is valued at cost.

Notes to Financial Statements December 31, 2016

2. Significant Accounting Policies (Continued)

(E) CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful lives of the assets as indicated below:

Buildings	25 years
Structures	10 years
Equipment, fixtures	10 years
Computer equipment	4 years

Cost includes construction in progress. Assets under construction are not amortized until the asset is available for productive use.

(F) MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance with Canadian public sector accounting standards requires that management make estimates and assumptions that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Items requiring significant estimates include liabilities for contaminated site, and the related accounts receivable and deferred revenue to fund this liability. Actual amounts could differ from these estimates.

(G) FINANCIAL INSTRUMENTS

Ontario Place follows the Canadian public sector accounting standards pertaining to financial instruments. The Corporation's financial assets and liabilities are accounted for as follows:

- Cash and cash equivalents, and Restricted cash are subject to an insignificant risk of change in value so carrying value approximates fair value.
- Accounts receivable are recorded at cost.
- Accounts payable and accrued liabilities, Due to the Province and Deferred revenue are recorded at cost

Ontario Place does not use derivative financial instruments.

3. Cash – Restricted

The following grants from the Province of Ontario are held by Ontario Place as externally restricted cash:

	2016	2015
	(\$000)	(\$000)
Unspent deferred capital contribution (Note 8)	259	1,154
Compensation for early license agreement termination (Note 13)	-	500
	259	1,654

Notes to Financial Statements December 31, 2016

4. Accounts Receivable

	2016	2015
	(\$000)	(\$000)
Province of Ontario – restricted grant	-	1,125
Province of Ontario – operating grant	2,070	625
Trade	363	450
Other	175	57
	2,608	2,257

5. Capital Assets

	2016		2015	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Land, waterlots	101,660	-	101,660	101,660
Buildings	7,604	2,721	4,883	4,928
Structures	825	467	358	768
Equipment, fixtures	2,870	1,632	1,238	1,400
Computer equipment	240	163	77	65
Construction-in-Progress	790	-	790	
	113,989	4,983	109,006	108,821

6. Accounts Payable and Accrued Liabilities

Accounts payable relate largely to normal business transactions with third-party vendors and are subject to standard commercial terms.

7. Liability for Contaminated Site and Deferred Remediation Funding

The Ontario Place site was constructed by lake filling in the 1970s, utilizing urban excess soil that was generated during other development projects in the City of Toronto at that time. At the time of the original park construction, environmental standards for soil and water had not been developed and therefore the use of urban fill material was an acceptable practice. While independent environmental investigations indicate contaminants are present at levels higher than the current allowable standard, the report suggests that visitors at Ontario Place are unlikely to directly contact contaminated soil. The liability estimate is an accounting provision based on the planned redevelopment of Ontario Place for future uses.

The liability is management's best estimate based on environmental investigations performed by independent experts and reflects the costs required to remediate the site. The Province has committed to provide the Corporation with funding to remediate the contamination. As of the end of 2016, the remediation of contaminated lands has not yet commenced.

Notes to Financial Statements December 31, 2016

Liability for Contaminated Site and Deferred Remediation Funding (Continued)

In 2016, it was determined by the Ministry and Infrastructure Ontario that environmental remediation of the urban park and waterfront trail was needed. The cost of this remediation was estimated at \$2.9M and was paid for by the Ministry, on the Corporation's behalf.

8. Deferred Capital Contributions and Unspent Deferred Capital Contributions

Purchased assets have been capitalized and the corresponding capital contributions have been deferred together with unspent capital contributions. Spent capital contributions are amortized into income on the same basis that the underlying assets are amortized. The changes in the total deferred capital contributions balance are as follows:

	2016	2015
	(\$ 000)	(\$ 000)
Balance, beginning of year	8,202	9,037
Amount amortized to revenue	(1,133)	(835)
Balance, end of year	7,069	8,202
		_
	2016	2015
	(\$ 000)	(\$ 000)
Deferred Capital Contributions	6,810	7,048
Unspent Deferred Capital Contributions	259	1,154
Balance, end of year	7,069	8,202

Unspent deferred capital contributions are held as restricted cash as described in Note 3.

9. Invested in Capital Assets

The invested in capital asset balance represents the net amount of the Corporation's investment in capital assets less the amounts financed by deferred capital contributions at year end.

10. Employee Benefits

(A) PENSION BENEFITS

The Corporation 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) which are both multiemployer plans established by the Province of Ontario. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU-PF, determines the Corporation's annual payments to the funds. Accordingly, the pension expense is the Corporation's share of the required contribution to the PSPF and OPSEU pension funds for the year, which was \$96,345 (2015 – \$82,837), and is included in employee benefits in the Schedule of Administrative and Operating Expenses.

Notes to Financial Statements December 31, 2016

10. Employee Benefits (Continued)

(B) ACCRUED EMPLOYEE BENEFITS OBLIGATION

The cost of unused vacation and earned legislated severance entitlements for current employees are accrued for in the financial statements under the long-term accrued employee benefits obligation. Amounts due to current employees payable within one year are included in accounts payable and accrued liabilities. Severance and other amounts due to terminated employees are included in accrued employee benefits obligation.

(C) OTHER NON-PENSION POST EMPLOYMENT BENEFITS

The cost of other post-employment non-pension employee benefits are paid by the Ministry of Government and Consumer Services and are not included in the statement of operations.

11. Property Tax Appeal

The Corporation filed an appeal with the City of Toronto regarding the property valuation assessment by the Municipal Property Assessment Corporation for the tax years 2009-2014. A settlement was reached in March 2016 and management expects a refund of approximately \$2.6 million. The refund will be recorded as a recovery of prior year's property taxes in the year it is received.

12. Financial Instruments

(A) LIQUIDITY RISK:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

(B) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk arising from its trade accounts receivable.

It is management's opinion that the Corporation is not exposed to significant interest rate, currency, liquidity or credit risk arising from its other financial instruments due to their nature.

Notes to Financial Statements December 31, 2016

13. Ontario Place Revitalization

In July 2014, the Province announced its long-term vision to revitalize Ontario Place. The revitalization of Ontario Place has begun with the construction of a new urban park and waterfront trail on Ontario Place's East Island, expected to open in summer 2017. The next stage of work at Ontario Place is the land-use planning process which was initiated in 2016.

During 2015, as a consequence of park revitalization plans, the Ministry funded \$6,000,000 towards the Corporation's total cost of \$6,500,000 to terminate a license agreement.

14. HST Reassessment

The Corporation filed an appeal with Canada Revenue Agency for the 2012-2015 tax years. During 2016, the Corporation received confirmation of a successful appeal and received \$258,000, which is recorded in HST reassessment in the Statement of Operations.

15. Comparative Figures

Certain comparative figures have been reclassified to conform to the basis of the financial statement presentation adopted in the current year.