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

Ontario Place Corporation  
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Toronto, ON Canada M6K 3B9  
[www.ontarioplace.com](http://www.ontarioplace.com)

## 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.

## 2017 Board of Directors

Board Member	Term	Per Day Remuneration	Total in 2017
Penny Lipsett Chair effective June 30, 2013	Jun 22, 2005 - Oct 17, 2020	\$140	\$5,320.00
Howard Chang	Apr 5, 2017 - Apr 4, 2020	\$105	\$420.00
Sonny Cho	May 4, 2011 - May 3, 2020	\$105	\$1,155.00
Linda Franklin* Chair, Strategic Planning Committee	May 7, 2003 - Oct 4, 2020	\$105	\$1,575.00
Jeffrey Kehoe	Jan 29, 2014 - Jan 28, 2020	\$105	\$630.00
Ilyse Smith	Oct. 18, 2017 – Oct 17, 2020	\$105	\$105.00
Barry Steinberg	Jan 28, 2015 - Jan 27, 2020	\$105	\$525.00
Winston Young Chair, Audit Committee	Dec 2, 2009 - Dec 1, 2019	\$105	\$1,050.00
Anne Sado	Sep 14, 2016 - Sep 13, 2019	\$105	\$840.00
		<b>Total</b>	<b>\$11,620.00</b>

\* A director of the Canadian National Exhibition Association

## 2017 Senior Management Team

Nancy Rowland	General Manager
Grant Eberlin	Senior Manager, Operations & Infrastructure
Eriks Eglite	Director, Special Projects
Valerie Holliday	Senior Manager, Business Development
Hunter Saggar	Senior Manager, Corporate Services
Glenn Shaver	Senior Manager, Transformation

## Acknowledgements

Ontario Place Corporation wishes to acknowledge and express its appreciation to the following partner organizations for their cooperation and assistance in 2017:

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

## Partnerships

### 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). OPC continues to work with Live Nation under the terms of its lease agreement signed in 1994.

The Budweiser Stage is a summer concert venue that presents domestic and international entertainment with a capacity of approximately 16,000 guests.

### Toronto International Film Festival

In 2017, a new projection system “IMAX with Laser” was installed in addition to the Cinesphere’s 70mm IMAX film projector. In September 2017, the Cinesphere temporarily re-opened for special screenings of *Dunkirk* (2017) and the film that originally opened the theatre in 1971, *North of Superior* (1971), as part of the 2017 Toronto International Film Festival.

# Analysis of 2017 Operational Performance

## Business Development

- The number of total site rentals, including Echo Beach events were:
  - 69 in 2015
  - 78 in 2016
  - 63 in 2017
- Parking revenues
  - \$1,247,000 in 2015
  - \$1,549,000 in 2016
  - \$1,715,000 in 2017
- The number of third party events held on the site
  - 16 in 2015
  - 30 in 2016
  - 37 in 2017
- In 2016, OPC worked with 52 distinct organizations to support 91 site use activations  
In 2017 OPC worked with 39 distinct organizations to support 106 site use activations

## Ontario Place Marina

The Ontario Place Marina is a picturesque, 240-slip marina located minutes from downtown Toronto. The marina offers availability for daily, weekly, monthly and seasonal moorage for vessels ranging in sizes from personal watercrafts, such as a Seadoo, to a 70-foot mega yachts. The 2017 season ran from May 6 to October 15.



The spring of 2017 season noted historical record-breaking water levels for Lake Ontario. The high water levels caused severe flooding throughout the site including the marina. The South Marina main spine fluctuated between being under water by a range of 2.5 to 13 centimeters of water. As the main spine and some perimeter dockage areas were under water, it rendered 18 slips unusable. Vessels moored here had to be relocated and resulted in a loss of revenue for this period.

*“The water level of Lake Ontario is the highest it has been since reliable records began in 1918”*  
– International Joint Commission

As the water levels rose in the lake further issues were experienced; Operations staff were unable to connect the water lines prior to the season and as a result, there was no fresh water available at the slips until the water levels dropped in early August. The high water levels also prevented the safe delivery of power to the slips as the main transformer box for the South Marina had been submerged. As water levels receded, it allowed for access to the transformer box which, was relocated and power was restored in late July.

Despite the use of sandbags, the water flowed over ground level and prevented the fuel dock from being operational from May 6<sup>th</sup> –August 4<sup>th</sup>. In an attempt to generate fuel sales, a ‘Full Service Gas Delivery’ system was implemented where boaters could provide fuel canisters that the staff would fill up and return to the boater.

### 2017 Highlights;

- Seasonal dockage was provided for 190 vessels in 2015, 225 vessels in 2016 and 190 vessels in 2017, which represents approximately a 16% decrease year over year.
- The Linear feet of moorage at the marina has been 2015: 5,853, 2016: 5,306 and in 2017: 5,540 ft.
- Gross revenues decreased by 10% due to the issues with high water levels, which resulted in approximately 25 seasonal slip reservation cancellations and a 5% rebate off their seasonal fees given to 81 boaters being directly impacted by the power outage.
- Seasonal dockage were \$490,018 in 2015, \$574,891 in 2016 and \$480,336 in 2017. This represents a decrease in revenues by 16% year over year.

### Marina Upgrades & Features

- |                                               |                                     |
|-----------------------------------------------|-------------------------------------|
| • Gas and Diesel fuel                         | • Monitoring VHF Channel 68         |
| • Pump Out                                    | • Ice delivery                      |
| • 30/50amp power                              | • Dock Attendants – Dock Assistance |
| • 24/7 Security – Cameras on Main Spine       | • High-speed Fibre Wi-Fi            |
| • Private washrooms, showers and laundry room | • South Marina re-decked            |
| • Life Saving stations                        | • Water connections                 |

## Operational Activities

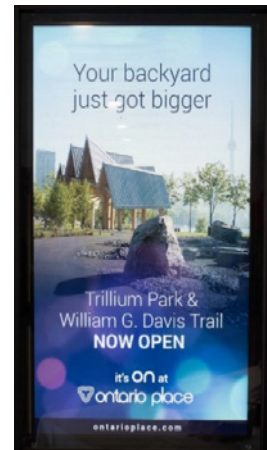
The 155 acres of land and water lots, buildings, green space, roads, and infrastructure are managed and maintained by full-time operations staff and supplemented by summer students. Operations staff also provide key support to year-round events operations.

The Parking and Traffic team, staffed by students, provided enhanced customer service in the parking areas during the busy summer events season.

## The Trillium Park and William G Davis Trail

On June 19, 2017, the Premier officially opened the Trillium Park and William G. Davis Trail. The Park is located on 3 hectares and already it is a “must-see” part of Toronto’s waterfront.

The main entry feature - the Ravine, is the gateway to the park, two beautiful stone walls connected by a bridge that frames your first glimpse of Lake Ontario. Developed in collaboration with the Mississauga’s of the New Credit First Nation, the Ravine walls celebrate First Nations’ heritage and culture with the moccasin identifier engraved into the stone, a visual reminder to recognize and honor the past. Evergreen forests and the iconic structures of Ontario Place inspire a unique open-air pavilion that frames the green space and provides a space for activities and gatherings.



The park includes a unique gathering place on the shores of Lake Ontario, a fire pit which is pictured here to left.

Located at the southern tip of the park, the summit is the highest elevation. It provides gentle slopes and lush rolling hills to sit on and look back at the cityscape or watch the activities at Billy Bishop Toronto City Airport.

## Capital Program

The 2017 OPC Capital Program, mainly focused on critical repairs, work to reopen the site, and work that supported long-term redevelopment of Ontario Place.

In 2017 Ontario Place's West Island was opened to the public and reactivated as a step towards making Ontario Place an all-season waterfront destination.

The work completed included a general cleanup of the property, landscaping work, the development of a pathway that connected to Trillium Park and William G Davis Trail, and west entrance improvements. This funding was used to renovate and re-open Cinesphere in the late summer of 2017 with its new IMAX laser projection system. Additionally, the funding was also to be used to make bridge improvements to the iconic bridge that leads visitors from West Entrance to the Cinesphere and initiate work on the redevelopment of the pods.

## Cinesphere

The Cinesphere is the world's first permanent IMAX movie theatre, which was constructed in 1971; it is the largest IMAX theatre in Ontario. In 2014, the province designated Cinesphere as a structure of Cultural Heritage Value.

In 2017, working towards opening, OPC purchased a new projection system "IMAX with Laser" which was installed over the summer and added to the Cinesphere's 70mm film projector. Special screenings of *Dunkirk* (2017) and *North of Superior* (1971) for the Toronto International Film Festival were held at the Cinesphere in September 2017. Both films were screened again as part of the public re-opening on November 3, 2017.

## Ontario150

Ontario Place curated the delivery of four individually themed festivals and the winter program in honour of the Ontario 150 celebrations. The objective of each festival was to provide attendees with an opportunity to explore the innovation, culture and diversity that thrives in Ontario while actively participating in programmed activities. The Winter Program included a Winter Light Exhibition, a synthetic skating rink and regular showings of films at the Cinesphere. Approximately 150,000 visitors participated in the Ontario150 programming, which took place on the West Island at Ontario Place and operated:

1. Culinary Ontario - May 19 to 22, 2017
2. Heritage Ontario - June 30 to July 3, 2017



3. Art and Music Ontario - August 4 to August 7, 2017
4. Active Ontario - September 1 to September 4, 2017
5. Winter Program - December 8, 2017 to March 18, 2018



## Long Term Redevelopment

The ministry completed the Trillium Park and William G. Davis Trail in the late spring of 2017, as the first phase of long-term revitalization. The ministry through Infrastructure Ontario initiated, in the summer of 2017, a Call for Submissions for the West Island. In the fall of 2017, the ministry and Ontario Place, through Infrastructure Ontario, initiated a Request for Proposals for East Island Design Services.

## Analysis of 2017 Financial Performance

In 2017, amidst long-term redevelopment planning, Ontario Place was opened for the first time in its 46-year history as a 24/7 operation open all year except Christmas Day. The following businesses continued to operate:

1. The Amphitheatre (renamed Budweiser Stage in 2017) – seasonal operation
2. Ontario Place Marina – seasonal operation
3. Parking lot operations – year-round operation
4. Site Rentals including Echo Beach – year round operation
5. Food & Beverage Concessions – year round operation
6. Cinesphere (started in November 2017) – year round operation

The following summary of 2017 financial performance is an extract from the Audited Financial Statements.

## 2017 Financial Performance Summary

	2017	2016
Revenue	\$11,360,000	\$10,442,000
Expenses	(\$15,546,000)	(\$8,533,000)
Other Items	\$28,442,000	\$430,000
<b>Total</b>	<b>\$24,256,000</b>	<b>\$2,339,000</b>

## Analysis of 2017 Revenue Streams and Performance

Revenue Stream	2017		2016		Year over year % (2017 / 2016)	
	Gross Revenue	Performance	Gross Revenue	Performance	Revenue	Analysis
Amphitheatre (Budweiser Stage)	\$3,201,000	439,556 guests	\$3,306,000	529,601 guests	(\$105,000)	3% Decrease
Parking	\$1,715,000	63,518 cars	\$1,549,000	57,224 cars	\$166,000	11% Increase
Concessions and Facility Rental	\$733,000	-	\$1,235,000	-	(\$502,000)	41% Decrease
Marina	\$538,000	4774 lin. ft. of moorage	\$598,000	5306 lin. ft. of moorage	(\$60,000)	10% Decrease
Other Revenue (cell towers/signs)	\$290,000	-	\$268,000	-	\$22,000	8% Increase
Cinesphere	\$97,000	5,198 guests	-	-	-	
Marina Retail Sales	\$77,000	-	\$209,000	-	(\$132,000)	63% Decrease
Interest Income	\$75,000	-	\$74,000	-	\$1,000	1% Increase
Food Services	\$64,000	-	-	-	-	
<b>TOTAL</b>	<b>\$6,790,000</b>		<b>\$7,239,000</b>		<b>(\$449,000)</b>	<b>6% Decrease</b>

## 2017 Priorities and Performance

In order to deliver on the OPC's mandate, in 2017 OPC focused on four business priorities helping to make Ontario Place a year round destination, they are:

### **PRIORITY ONE:**

*Open the Trillium Park and William G. Davis Trail to the public in the summer of 2017, marking the completion of the first phase of revitalization.*

#### **2017 Performance**

The Park and Trail was opened on June 19<sup>th</sup>, 2017 and is now a key feature of Ontario Place, going forward it will be a key feature of Ontario Place programming. OPC continues to work with corporate and external partners on the future redevelopment.

### **PRIORITY TWO:**

*In Fall 2016, Ontario Place was selected as a host sites for Ontario 150 celebrations to celebrate Canada's Sesqui-centennial – develop and deliver programming for these celebrations.*

#### **2017 Performance**

OPC hosted a series of four festivals during summer long-weekends to highlight the diverse communities and culture of Ontario. Additionally, a winter program was implemented including, a light exhibition designed by local artists, a bonfire, and a synthetic ice skating rink for public use.

### **PRIORITY THREE:**

*OPC will undertake capital projects that will support new businesses, events and festivals on West Island, to generate revenue, visitation and interest in the site while longer-term Revitalization plans are developed and phased in. In addition, OPC will seek out strategic partnerships with other organizations (e.g. TIFF, CNE, Waterfront BIA) to deliver unique offerings or marketing opportunities.*

#### **2017 Performance**

Numerous capital projects were undertaken including washroom renovations throughout the site, Cinesphere renovations including: HVAC system, Projection system, washrooms and general improvements, Bridge 10 flooring, West Entrance signature structure erection, West Plaza/Pods/Cinesphere Fire Detection system replacement, South Marina main spine dock reconstruction and a new structure to house Live Nation refrigerators. The Cinesphere reopened with a TIFF event, showcasing the movie *Dunkirk*.

### **PRIORITY FOUR:**

*OPC will continue to work with the ministry on the OPC long-term redevelopment. A redeveloped Ontario Place will be a year-round, multi-use waterfront destination and park for everyone to enjoy.*

#### **2017 Performance**

In June 2017, Ontario Place opened the Trillium Park and William G. Davis Trail on the East Island as the first phase of Ontario Place redevelopment. The ministry, with the assistance of Infrastructure Ontario, issued a Call for Submissions for the potential redevelopment of West Island. In the fall of 2017, the ministry and Ontario Place, with support from Infrastructure Ontario, initiated a Request for Proposals for East Island Design Services to support the next phase of redevelopment.

Ontario Place Corporation  
**Financial Statements**  
For the Year Ended December 31, 2017

# Management's Responsibility for Financial Reporting

September 5, 2018

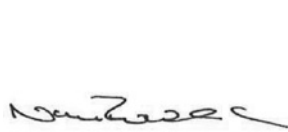
## Management's Responsibility for Financial Reporting

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.

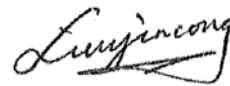
On behalf of management:



Nancy Rowland  
General Manager



Hunter Saggat  
Senior Manager, Corporate Services



Tsong Liu, CPA, CGA, MBA  
Financial Controller



Office of the Auditor General of Ontario  
Bureau du vérificateur général de l'Ontario

### *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, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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, 2017, 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  
September 5, 2018

Susan Klein, CPA, CA, LPA  
Assistant Auditor General

# Ontario Place Corporation

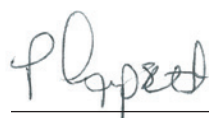
## Statement of Financial Position

As at December 31, 2017

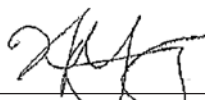
	2017 (\$000)	2016 (\$000)
<b><u>ASSETS</u></b>		
<b>Current</b>		
Cash and cash equivalents	1,882	9,882
Cash – restricted [Note 4]	-	259
Accounts receivable [Note 5]	10,129	2,608
Inventory	9	3
Prepaid expenses	154	33
	<u>12,174</u>	<u>12,785</u>
<b>Non-current Assets</b>		
Capital assets [Note 6]	141,554	109,006
Remediation funding receivable [Note 8]	50,000	50,000
Trademark and Other Rights	991	-
	<u>192,545</u>	<u>159,006</u>
	<u>204,719</u>	<u>171,791</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities [Note 7]	2,518	2,728
Accrued employee benefits obligation [Note 12(B)]	61	58
Due to the Province of Ontario	133	62
Deferred revenue	68	62
	<u>2,780</u>	<u>2,910</u>
<b>Long Term Liabilities</b>		
Accrued employee benefits obligation [Note 12(B)]	212	153
Liability for contaminated site [Note 8]	50,000	50,000
	<u>50,212</u>	<u>50,153</u>
Deferred contributions [Note 9]	1,318	-
Deferred remediation funding [Note 8]	50,000	50,000
Deferred capital contributions [Note 10]	12,439	6,901
Unspent deferred capital contributions [Note 10]	2,146	259
	<u>65,903</u>	<u>57,160</u>
<b>Net Assets</b>		
Invested in capital assets [Note 11]	129,115	102,105
Unrestricted	(43,291)	(40,537)
	<u>85,824</u>	<u>61,568</u>
	<u>204,719</u>	<u>171,791</u>

See accompanying schedules and notes to financial statements.

Approved on behalf of the Corporation:



Chair



Board Member, Chair of Audit Committee

## Ontario Place Corporation

### Statement of Operations

For the Year Ended December 31, 2017

	2017 (\$ 000)	2016 (\$ 000)
<b>Revenue</b>		
Operating revenue [Schedule 1]	6,790	7,239
Province of Ontario– Operating	2,070	2,070
Province of Ontario – Other Contributions [Schedule 3]	1,496	-
Amortization of deferred capital contributions [Note 10]	1,004	1,133
	<u>11,360</u>	<u>10,442</u>
<b>Expenses</b>		
Administrative and operating expenses [Schedule 2]	(14,124)	(7,400)
Amortization of capital assets	(1,422)	(1,133)
	<u>(15,546)</u>	<u>(8,533)</u>
<b>Operating (deficit)/surplus before other items</b>	<b>(4,186)</b>	<b>1,909</b>
<b>Other Items</b>		
Province of Ontario- Contributed Park and Trail Revitalization [Note 16]	28,831	-
Province of Ontario – Park and Trail Remediation Expense [Note 16]	(3,074)	-
Property tax recovery [Note 15]	2,600	-
Gain on sale of surplus capital assets	85	172
HST reassessment	-	258
	<u>28,442</u>	<u>430</u>
<b>Excess of revenue over expenses</b>	<b>24,256</b>	<b>2,339</b>

See accompanying schedules and notes to financial statements.

**Ontario Place Corporation**  
Statement of Changes in Net Assets  
For the Year Ended December 31, 2017

	2017 (\$ 000)			2016 (\$ 000)
	Invested in Capital Assets	Unrestricted	Total	Total
Net assets, beginning of year	102,105	(40,537)	61,568	59,229
Excess of revenues over expenses	25,339	(1,083)	24,256	2,339
Invested in capital assets during the year [Note 11]	1,671	(1,671)	-	-
Net assets, end of year	129,115	(43,291)	85,824	61,568

See accompanying schedules and notes to financial statements.

## Ontario Place Corporation

### Statement of Cash Flows

For the Year Ended December 31, 2017

	2017 (\$000)	2016 (\$000)
<b>Operating Activities</b>		
Excess of revenues over expenses	24,256	2,339
Adjustments for items not requiring an outlay of cash		
Gain on sale of capital assets	(85)	(172)
Amortization of capital assets	1,422	1,133
Amortization of deferred capital contributions	(1,004)	(1,133)
Province of Ontario- Contributed Park and Trail Revitalization [Note 16]	(28,831)	-
Province of Ontario – Park and Trail Remediation Expense [Note 16]	3,074	-
Net change in non-cash working capital [Note 3]	(8,772)	(253)
Accrued employee benefits obligation	62	17
Cash (used)/provided in operating activities	(9,878)	1,931
<b>Capital Activities</b>		
Capital asset acquisitions	(8,213)	(1,318)
Proceeds on sale of capital assets, net	85	172
Cash (used) in capital activities	(8,128)	(1,146)
<b>Financing Activities</b>		
Deferred contributions	1,318	-
Deferred capital contributions-applied	6,542	91
Deferred capital contributions-unspent	1,887	-
Cash provided by financing activities	9,747	91
<b>(Decrease)/Increase in cash during the year</b>	<b>(8,259)</b>	<b>876</b>
<b>Cash, beginning of year</b>	<b>10,141</b>	<b>9,265</b>
<b>Cash, end of year</b>	<b>1,882</b>	<b>10,141</b>
<b>Cash and cash equivalents</b>	<b>1,882</b>	<b>9,882</b>
<b>Cash – restricted</b>	<b>-</b>	<b>259</b>
	<b>1,882</b>	<b>10,141</b>

See accompanying schedules and notes to financial statements.

## Ontario Place Corporation

Schedules of Operating Revenue and Administrative and Operating Expenses  
For the Year Ended December 31, 2017

	2017 (\$000)	2016 (\$000)
<b>Schedule 1</b>		
<b>Operating Revenue</b>		
Amphitheatre	3,201	3,306
Parking	1,715	1,549
Concessions and facility rental	733	1,235
Marina	538	598
Other Revenue	290	268
Cinesphere	97	-
Marina retail sales	77	209
Interest income	75	74
Food services	64	-
	<u>6,790</u>	<u>7,239</u>
<b>Schedule 2</b>		
<b>Administrative and Operating Expenses</b>		
Salaries and wages	2,535	1,776
Employee benefits [Note 12]	470	300
Administration and property tax	3,367	1,761
Site Maintenance	2,168	1,790
Special project (Ontario 150)	2,028	18
Marketing	1,279	-
Utilities	1,276	1,215
Supplies	534	229
Janitorial	258	115
Cost of retail sales	135	147
Transportation and communications	74	49
	<u>14,124</u>	<u>7,400</u>

See accompanying schedules and notes to financial statements.

## Ontario Place Corporation

Schedule of Province of Ontario – Other Contributions  
For the Year Ended December 31, 2017

	2017 (\$000)	2016 (\$000)
<b>Schedule 3</b>		
<b>Province of Ontario - Other Contributions</b>		
Restricted grant – Ontario 150	1,315	-
Restricted grant – Park and Trail Maintenance	75	-
Restricted grant – Interim Activation	106	-
	<u>1,496</u>	<u>-</u>

See accompanying schedules and notes to financial statements.

## Ontario Place Corporation

Notes to Financial Statements  
December 31, 2017

### 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.

In 2017, Ontario Place was reopened for year round recreational use, which was highlighted in June, 2017 with the opening of the Trillium Park and William G Davis Trail. The Corporation continues to work on the long-term revitalization of Ontario Place. Its vision is to be a gathering place that celebrates Ontario's innovation, creativity and talent.

The Corporation is primarily funded by the Province of Ontario ("Province") through the Ministry of Tourism, Culture and Sport ("Ministry").

### 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

The Corporation follows the deferral method of accounting for restricted operating grants from the Province, which are recognized in revenue in the year the related expenses are incurred.

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, Cinesphere, food services and marina dockage are recognized when the goods or services are provided.

Revenue from amphitheatre agreement with Live Nation, represents rental revenue for the ground lease and is recognized as earned under the 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) EXPENSES

Expenses are recorded on an accrual basis. The cost of goods and services consumed and services received during the year is expensed.

## 2. Significant Accounting Policies (Continued)

### (E) INVENTORY

Supplies inventory is valued at the lower of cost and net realizable value.

### (F) CAPITAL ASSETS

Capital assets are recorded at cost, less accumulated amortization and accumulated impairment losses, if any. All capital assets are amortized on a straight-line basis over the estimated useful life of the asset, with a half year amortization taken in the year of acquisition and disposition.

Sewers Systems	50 years
Land Improvements (including parking lot and landscaping)	20-40 years
Buildings and structures	10-25 years
Equipment and fixtures	10-15 years
Computer equipment	4 years

Assets under construction are not amortized until the asset is available for productive use.

When a capital asset no longer has any service potential to the Corporation, the differential of its net carrying amount and any residual value, is recognized as a gain or loss, as appropriate, in the Statement of Operations.

### (G) TRADEMARK AND OTHER RIGHTS

Trademark and other rights are amortized on a straight line basis over the term of the agreement.

### (H) 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.

### (I) FINANCIAL INSTRUMENTS

The Corporation follows the Canadian Public Sector Accounting Standards pertaining to financial instruments, whereby its 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.

The Corporation does not use derivative financial instruments.

## 2. Significant Accounting Policies (Continued)

### (J) RELATED PARTY TRANSACTIONS

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by related parties.

## 3. Net change in non-cash working capital

	2017 (\$000)	2016 (\$000)
Accounts receivable	(7,521)	(351)
Inventory	(6)	15
Prepaid Expenses	(121)	12
Trademark and Other Rights	(991)	-
Accounts Payable and accrued liabilities	(210)	160
Due to Province	71	(73)
Deferred revenue	6	(16)
	<u>(8,772)</u>	<u>(253)</u>

## 4. Cash – Restricted

Unspent deferred capital contributions of \$Nil (2016: \$259,000) received by the Province are held as externally restricted cash.

## 5. Accounts Receivable

	2017 (\$000)	2016 (\$000)
Province of Ontario – restricted grant	6,737	-
Province of Ontario – operating grant	2,070	2,070
Trade	824	363
Other	498	175
	<u>10,129</u>	<u>2,608</u>

## Ontario Place Corporation

Notes to Financial Statements

December 31, 2017

### 6. Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Land, waterlots	101,660	-	101,660	101,660
Land improvements	21,150	264	20,886	-
Buildings and structures	19,256	3,735	15,521	5,241
Equipment and fixtures	4,978	1,645	3,333	1,238
Computer equipment	309	155	154	77
Construction-in-progress	-	-	-	790
	147,353	5,799	141,554	109,006

### 7. Accounts Payable and Accrued Liabilities

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

### 8. 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 December 31, 2017, the liability for contaminated site was \$50 million.

## 9. Deferred Contributions

Deferred contributions represent unspent externally restricted operating grants received from the Province for the maintenance of specific assets and are recorded as revenue in the Statement of Operations when the related expenses are incurred. Changes in deferred contributions are as follows:

	2017 (\$ 000)	2016 (\$ 000)
Balance, beginning of year	-	-
Add: amounts received during the year	1,412	-
Less: amounts recognized as revenue in the year	(94)	-
Balance, end of year	1,318	-

## 10. Deferred Capital Contributions

Deferred capital contributions represent unamortized and unspent funds received from the Province for the purchase of capital assets. The changes in the deferred capital contributions related to capital assets balance for the year are as follows:

	2017 (\$ 000)	2016 (\$ 000)
Balance, beginning of year	7,160	8,293
Contributions for capital assets	8,429	-
Amount recognized as revenue	(1,004)	(1,133)
Balance, end of year	14,585	7,160

The balance of deferred capital contributions related to capital assets consists of the following:

	2017 (\$ 000)	2016 (\$ 000)
Unamortized Deferred Capital Contributions	12,439	6,901
Unspent Deferred Capital Contributions	2,146	259
Balance, end of year	14,585	7,160

## 11. 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.

	2017 (\$ 000)	2016 (\$ 000)
Capital Assets	141,554	109,006
Less amount financed by deferred capital contributions [Note 10]	(12,439)	(6,901)
	<u>129,115</u>	<u>102,105</u>

Change in net assets invested in capital assets is calculated as follows:

	2017 (\$ 000)	2016 (\$ 000)
Purchase of capital assets	8,213	1,318
Province of Ontario - Contributed Park & Trail [Note 16]	25,757	-
Capital funding utilized	(6,542)	-
Amortization of deferred contributions related to capital assets	1,004	1,133
Amortization of capital assets	(1,422)	(1,133)
	<u>27,010</u>	<u>1,318</u>

## 12. 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 multi-employer 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 Pension Fund, 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 \$147,630 (2016 - \$96,345), and is included in employee benefits in the Schedule of Administrative and Operating Expenses.

### (B) ACCRUED EMPLOYEE BENEFITS OBLIGATION

The costs of legislated severance, compensated balances and unused vacation entitlements earned by employees during the year amounted to \$192,000 (2016- \$19,000) and are included in employee benefits in the Statement of Operations. The total liability for these costs is reflected in the accrued employee benefits obligation, less any unused vacation entitlements that are included in accounts payable and accrued liabilities.

### (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.

## **13. 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.

## **14. Ontario Place Revitalization**

In July 2014, the Province announced its long-term vision to revitalize Ontario Place. The revitalization of Ontario Place began with the construction of an urban park and waterfront trail on Ontario Place's East Island, which opened in June 2017. In 2017, the Corporation worked with the Province, to initiated revitalization planning for the East and West Islands. As of June 5, 2018, work on the future transformation of Ontario Place has been put on hold pending government direction.

## **15. Property Tax Recovery**

The Corporation filed an appeal with the City of Toronto regarding the property valuation assessment by the Municipal Property Assessment Corporation (MPAC) for the tax years 2009-2014. The Corporation received confirmation of a successful appeal of \$2.6 million during 2017 and is recorded in Property Tax Recovery in the Statement of Operations.

## **16. Province of Ontario – Contributed Park and Trail Revitalization**

The Province incurred \$28.8 million to develop the Trillium Park and William G. Davis Trail ("Park and Trail") on behalf of the Corporation. Upon completion, the Province transferred the cost of the Park and Trail to the Corporation for no consideration and the full amount was recognized as a contribution from the Province of Ontario on the Statement of Operations. Of the \$28.8 million, the Corporation recognized \$25.8 million as a capital asset on the Statement of Financial Position and \$3 million in environmental remediation expense on the Statement of Operations.

## **17. Comparative Figures**

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