

 ontario place

2020

Annual Report



For the year ending in December 31, 2020

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

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Overview of Ontario Place Corporation Operations in 2020

The key business priorities for Ontario Place Corporation in 2020 were to operate on an interim basis while planning is underway for the development of the site, to support the wind-up of the corporation as announced in the 2018 Fall Economic Statement and maintain and amplify the Ontario Place brand.

With this in mind, Ontario Place began the year by building on its program and financial achievements and successes from the 2019 operating season. However, the landscape for both recreational activities and live entertainment changed drastically in early 2020, as Covid-19 became a world-wide pandemic. Recreational activities as simple as walking and playing basketball were impacted by public health and social gathering restrictions including a number of stay at home orders. Live entertainment gatherings of all sizes were either cancelled, curtailed or reimagined as a result of social gathering restrictions.

Reimagining became a dominant theme in 2020 as Ontario Place turned its efforts to assisting event organizers to reimagine their festivals within the context of the pandemic and the accompanying public health restrictions. Ontario Place had the benefit of open green space and outdoor venues in an urban setting that could provide respite for those confined indoors and an opportunity for various sectors to reimagine how they could deliver their programs and activities.

Early on in the pandemic, Ontario Place turned its attention to how it could support recovery efforts of various sectors that might need outdoor venues to deliver their programs, activations, or services. Ontario Place staff identified areas of the site that could support outdoor programming and activities as the city and province moved towards reopening. Staff focused on how the site could assist various sector operators in the recovery of their businesses, whether it be cultural, live-entertainment, or culinary in nature.

Early in the spring, Ontario Place moved to install a large outdoor screen that could support drive-in or drive-through activations. The City of Toronto moved to Stage 2 of the province's reopening plan on June 24th and by July 16th, the Ontario Place Drive-In opened for a variety of partnered festivals and events such as the Italian Contemporary Film Festival, Drive-inTO, Hot Docs and the Toronto International Film Festival. Ontario Place also reimaged its own film program when theatres closed and programmed the drive-in with many sold out screenings in the fall and winter of 2020.

Except for a short term full site closure in April of 2020 to align with early lockdown and stay at home measures, Ontario Place remained open for public access. Ontario Place staff were committed to ensuring the grounds including Trillium Park, path and road ways and structures including Cinesphere were maintained and safe to use throughout the year with enhanced cleaning protocols and safety measures in place. Ontario Place recalibrated its own programming and its venue spaces to align with public health measures that were in place at any given time through the year. In doing so, it continued to be a well-used space and venue for visitors and event organizers alike during some very challenging times.

Overview of 2020 Programs and Activations

In 2020, in spite of a world-wide pandemic that shifted what was “normal” for almost everyone, Ontario Place continued to offer visitors a variety of cultural, artistic and recreational programs and activations as well as green space in an urban setting for those just wanting to get outside.

The year started where it ended – with a full suite of family themed and popular classics in the Cinesphere.

- Family themed movies such as *Coraline* and *Mamma Mia* kicked off 2020.
- Favourites such as *Free Solo*, *Forest Gump*, *2001: A Space Odyssey*, *The Dark Knight*, *Inception* and *Interstellar* played into March with many sold out screenings.
- The Cinesphere Program was paused in March following the government’s announcements to close all schools and declare a state of emergency.

On April 1, 2020, Ontario Place closed its gates to public access to support the government’s stay at home orders.

On May 1, the Premier announced that certain sectors and businesses could prepare to open and Ontario Place began to prepare the Marina for its opening. The OPC Marina features 240 slips for various sized vessels and offers the availability of daily, weekly, monthly and seasonal moorage. The abridged 2020 season ran from May 23, 2020 to October 12, 2020 and operated at almost full capacity for the season.

In addition to the Cinesphere and Marina, the 2020 program at Ontario Place included the following activities:

- Outdoor Cinema with a Drive-In that could accommodate up to 185 vehicles and an Open Air Cinema with dedicated viewing pods that could accommodate groups of 25 to 250, dependent on public health restrictions;
- Re-imagined Yoga in Trillium Park with condensed session sizes on weekends;
- Jazz in the Park featuring distinguished alumni from a variety of prestigious local music and jazz programs; and
- Recreational offerings including half size basketball courts around the site, table tennis, chess tables, and volleyball courts.

Additional recreational activities were provided by partners:

- Lake Shore Boat Rentals offered kayaks, canoes, paddleboats and rowboats for aquatic exploration;
- GO Tours Canada offered guided Segway Tours through the site; and
- CJ’s SkatePark provided skateboard ramps.

Ontario Place has a long-term lease agreement with Live Nation Canada Inc., for the management and operation of the Budweiser Stage. The Budweiser Stage is a summer concert venue that presents domestic and international entertainment with a capacity of approximately 16,000 guests. However, it was shuttered for 2020 due to the pandemic. Ontario Place and Live Nation continue to work together under the terms of a lease agreement, signed in 1994.

In support of the programs and activations, Ontario Place offered on-site parking with over 1,500 parking spaces in four parking lots. These spaces were used in 2020 by Ontario Place boaters and site visitors. Historically, parking spots are used by Budweiser Stage concert goers. With the cancellation of many large scale events, the largest lot was transformed by Live Nation in partnership with the Ontario Lottery and Gaming Corporation and Maple Leaf Sports Entertainment to provide drive-in sports viewing parties and drive-in concerts.

Ontario Place is home to various sized event spaces that provided a base for a wide range of artistic, cultural, culinary and recreational festivals and events. In spite of the cancellation in 2020 of many large-scale events and festivals, Ontario Place rented out some its traditional spaces and newly created venues. Ontario Place hosted its own program in the Drive-in and this space was used by previous and new clients to reimagine their festivals including the Toronto International Film Festival, Lavazza Film Festival and Drive-inTO. In 2020, a number of domestic and foreign film production companies used a variety of spaces to film their programs under very tight COVID restrictions.

Ontario Place staff worked throughout the 2020 season to clean, maintain and operate the site for passive/recreational users, event organizers and film production companies.

Operational & Financial Highlights – 2020 Programs and Activations

Operational Highlights:

In 2020, Ontario Place welcomed almost 1 million visitors to the grounds. While it is a significant drop from 2019's high of 2.3 million visitors, it is an impressive number when much of the world shut down and people were often asked to stay at home to help reduce the spread of the virus. The highlights of 2020 include:

- The creation of an Outdoor Cinema Program that hosted up to 185 vehicles in the Drive-in and from 25 to 100 in the Open Air Cinema.
 - OPC hosted 84 films and 22,750 visitors in the Drive-In with many sold out shows up to Christmas Day;
 - Partnered with a number of event producers to host their reimagined film festivals in the Drive-In including Lavazza and Toronto International Film Festivals (TIFF); and
 - TIFF also delivered its program from the Open Air Cinema and from the event space in Lot 2.
- Facilitated the creation of visitor experiences by working with 19 different organizations to deliver 23 artistic and cultural events including site rentals for film production. Events included: reimagined film festivals such as the Italian Contemporary, Inside Out, Drive-in TO and Toronto International; and drive through concerts and sports viewing events presented by Live Nation in partnership with the Ontario Lottery and Gaming Corporation and Maple Leaf Sports Entertainment.
- Hosted a Covid-friendly Yoga in the Park program in Trillium Park with 16 sessions on summer weekends, with sessions capped at 100 participants.
- In August, partnered with the TU Jazz Festival to deliver 20 sessions of Jazz in the Park on the Vista Patio to over 1,700 guests.
- Despite a delayed start, maintained almost 100% occupancy in the Marina for most of the operating season;
- Offered firepit experiences, when possible during public health restrictions, in two locations on site.
 - Wildly popular with site visitors, there were 233 site reservations in 2020.
- Opened the Cinesphere in August 2020 with enhanced public health measures in place to host Tenet by Christopher Nolan until theatres were closed again in October.
 - Capacity was limited to 50 guests per screening and OPC screened 3-4 shows daily.
 - Most screenings were sold out.
- GO Tours Canada and Lake Shore Boat Rentals had successful seasons at Ontario Place.
 - GO Tour Canada's Segway Tours hosted 260 visitors on 65 guided tours of the park.
 - Lake Shore Boat Rentals hosted 10,135 visitors through more than 4,500 rentals of pedal boats and kayaks.

Financial Highlights:

- In 2020, Ontario Place had an operating deficit of \$2.9 million before other items, a significant decrease from 2019 when the operating surplus was \$2.1 million before other items. OPC drew on accumulated surpluses to address the deficit.
- With the exception of the Marina operations, all business lines experienced a significant revenue decline due to the pandemic, with a total decrease in revenue of \$8 million compared to 2019.
- Administrative and operating expenses were down by \$2.5 million (22%) compared to 2019, due in part to cost-saving measures and a decrease in programming volume.

2020 Corporate Partners

Ontario Place Corporation wishes to acknowledge and express its appreciation to the following organizations for their provision of in kind contributions towards a reimagined site in 2020:

AV Fortis

Destination Ontario

Lights on Stratford

Active Green & Ross

Apex

Chantler's

Gal Power

Global Brand Foodservices

Next Level Tent & Event

Project Tech

Toronto Undergraduate Jazz Festival

Tower Events

Vibe Experiential

2020 Board of Directors

There was no Board in place in 2020.

Redevelopment of Ontario Place

In its *Fall Economic Statement* of November 15, 2018, Schedule 31 noted that on the proclamation of the Lieutenant Governor, the *Ontario Place Corporation Repeal Act, 2018* would come into force. The Act would:

1. Repeal the Ontario Place Corporation Act;
2. Dissolve Ontario Place Corporation;
3. Transfer the dissolved Corporation's assets, liabilities, rights and obligations to the Crown in right of Ontario;
4. Offer Immunity from litigation arising from anything done or not done under section 9.1 of the Ontario Place Corporation Act;
5. Makes consequential amendments to the Canadian National Exhibition Association Act, 1983.

Effective August 16, 2019 and by Executive Order in Council 1119/2019, the lands were transferred to the Minister of Government and Consumer Services.

2020 Senior Management Team

Nancy Rowland	General Manager
Grant Eberlin	Senior Manager, Operations & Infrastructure
Eriks Eglite	Director, Special Projects
Hunter Saggar	Senior Manager, Corporate Services
Glenn Shaver	Senior Manager, Product & Experience Development

Ontario Place Corporation
Financial Statements
For the Year Ended December 31, 2020

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Ontario Place Corporation ("OPC") are prepared in accordance with Canadian public sector accounting standards and approved by the Chair of the Corporation. Management is responsible for the preparation and fair presentation of the statements, which necessarily involved the use of estimates based on informed judgement relating to known outcomes up to April 20, 2022.

OPC management maintains adequate systems of internal control designed to provide reasonable assurance that the financial information is accurate and reliable, the assets are safeguarded and liabilities are recognized. The systems include formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

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 Auditor's examination and opinion.

On behalf of management:



Janet Gates
General Manager



Eriks Eglite
Director, Special Projects



Office of the Auditor General of Ontario
Bureau de la vérificatrice générale de l'Ontario

INDEPENDENT AUDITOR'S REPORT

To the Ontario Place Corporation

Opinion

I have audited the financial statements of the Ontario Place Corporation (OPC), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the OPC as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Toronto, Ontario
April 20, 2022



Susan Klein, CPA, CA, LPA
Assistant Auditor General

Ontario Place Corporation

Statement of Financial Position

As at December 31, 2020

	2020 (\$000)	2019 (\$000)
ASSETS		
Current		
Cash	3,311	6,530
Accounts receivable [Note 3]	2,104	6,024
Inventory	4	29
Prepaid expenses	457	262
	<u>5,876</u>	<u>12,845</u>
Non-current Assets		
Note receivable [Note 13(B)]	612	-
Capital assets [Note 4]	2,332	2,618
Trademark and Other Rights	652	765
	<u>3,596</u>	<u>3,383</u>
TOTAL ASSETS	<u>9,472</u>	<u>16,228</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities [Note 5]	2,552	5,825
Due to the Province of Ontario	141	115
Deferred revenue	85	113
	<u>2,778</u>	<u>6,053</u>
Non-current Liabilities		
Accrued employee benefits obligation [Note 6(B)]	177	174
Capital lease obligations [Note 7]	6	15
Deferred contributions [Note 9]	764	877
Deferred capital contributions [Note 10]	1,284	1,607
	<u>2,231</u>	<u>2,673</u>
Net Assets		
Invested in capital assets [Note 11]	1,048	1,059
Unrestricted	3,415	6,443
	<u>4,463</u>	<u>7,502</u>
TOTAL LIABILITIES AND NET ASSETS	<u>9,472</u>	<u>16,228</u>

See accompanying notes to financial statements.

Approved on behalf of the Corporation:

Chair

Ontario Place Corporation
Statement of Operations
For the Year Ended December 31, 2020

	2020 (\$ 000)	2019 (\$ 000)
Revenue		
Operating revenue [Schedule 1]	3,982	12,075
Province of Ontario – Operating	2,070	2,070
Province of Ontario – Other contributions [Schedule 2]	244	188
Amortization of deferred capital contributions [Note 10]	275	999
	<u>6,571</u>	<u>15,332</u>
Expenses		
Administrative and operating expenses [Schedule 3]	(9,077)	(11,592)
Amortization of capital assets	(452)	(1,620)
	<u>(9,529)</u>	<u>(13,212)</u>
Operating surplus/(deficit) before other items	(2,958)	2,120
Other Items		
Transfer of capital assets to the Province [Notes 16(B)]	(129)	(142,009)
Deferred capital contributions related to transfer of capital assets to the Province [Notes 10,16(B)]	48	14,018
Transfer of liability for contaminated site to the Province [Note 8]	-	47,350
Province of Ontario – Remediation funding [Note 8]	-	2,650
	<u>(81)</u>	<u>(77,991)</u>
Deficiency of revenue over expenses	<u>(3,039)</u>	<u>(75,871)</u>

See accompanying notes to financial statements.

Ontario Place Corporation
Statement of Changes in Net Assets
For the Year Ended December 31, 2020

	2020 (\$ 000)		2019 (\$ 000)	
	Invested in Capital Assets [Note 11]	Unrestricted	Total	
			Total	
Net assets, beginning of year	1,059	6,443	7,502	83,373
Deficiency of revenues over expenses	(258)	(2,781)	(3,039)	(75,871)
Invested in capital assets during the year	247	(247)	-	-
Net assets, end of year	1,048	3,415	4,463	7,502

See accompanying notes to financial statements.

Ontario Place Corporation

Statement of Cash Flows

For the Year Ended December 31, 2020

	2020 (\$ 000)	2019 (\$ 000)
Operating Activities		
Deficiency of revenues over expenses	(3,039)	(75,871)
Adjustments for items not requiring an outlay of cash		
Transfer of capital assets to the Province [Note 16(B)]	129	142,009
Deferred capital contributions related to transfer of capital assets to the Province [Note 10, 16(B)]	(48)	(14,018)
Amortization of capital assets	452	1,620
Amortization of deferred capital contributions	(275)	(999)
Transfer of liability for contaminated site to the Province [Note 8]	-	(47,350)
Net change in non-cash working capital [Note 12]	588	972
Note receivable [Note 13(B)]	(612)	-
Change in accrued employee benefits obligation	3	(50)
Remediation activities undertaken [Note 8]	-	(2,650)
Cash (applied to) / provided by operating activities	<u>(2,802)</u>	<u>3,663</u>
Capital Activities		
Capital asset acquisitions	(295)	(2,736)
Cash applied to capital activities	<u>(295)</u>	<u>(2,736)</u>
Financing Activities		
Deferred contributions	(113)	(178)
Deferred capital contributions	-	2,222
Capital lease obligation	(9)	(7)
Cash (applied to) / provided by financing activities	<u>(122)</u>	<u>2,037</u>
(Decrease) / increase in cash during the year	(3,219)	2,964
Cash, beginning of year	<u>6,530</u>	<u>3,566</u>
Cash, end of year	<u>3,311</u>	<u>6,530</u>

See accompanying notes to financial statements.

Ontario Place Corporation

Schedules of Operating Revenue, Province of Ontario – Other Contributions and Administrative and Operating Expenses
For the Year Ended December 31, 2020

	2020 (\$ 000)	2019 (\$ 000)
Schedule 1		
Operating Revenue		
Concessions and facility rental	1,084	2,040
Amphitheatre	1,000	4,249
Marina	649	705
Marina retail sales	335	240
Parking	322	3,285
Cinesphere	277	977
Other Revenue	135	153
Activities, sponsorship and partnership	119	102
Interest income	42	70
Food services	19	254
	3,982	12,075
Schedule 2		
Province of Ontario - Other Contributions		
Restricted grant – Reconnect festivals and events; Outdoor drive-in cinema	131	-
Restricted grant – Trademark and other rights	113	117
Restricted grant – Park and trail maintenance	-	65
Restricted grant – Canada Day	-	6
	244	188
Schedule 3		
Administrative and Operating Expenses		
Salaries and wages	3,485	4,414
Employee benefits [Note 6]	484	531
Administration and property tax	1,071	981
Utilities	963	1,769
Equipment rental and service	654	510
Cost of retail sales	601	934
Loss prevention	576	644
Site operation	417	532
Janitorial	294	305
Supplies	202	222
Programming	172	23
Marketing	105	614
Telecommunications	45	50
Professional services	8	63
	9,077	11,592

See accompanying notes to financial statements.

Ontario Place Corporation

Notes to Financial Statements

As at December 31, 2020

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 “Act”). The Corporation is exempted from federal and provincial income taxes.

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

On December 6, 2018, Bill 57 - Restoring Trust, Transparency and Accountability Act, 2018 received royal assent. The Bill amended the *Ontario Place Corporation Act*, requiring the Board of Directors to prepare a proposed plan for winding up the Corporation and transferring its assets, liabilities, rights and obligations to the Crown in right of Ontario or to an agency of the Crown. Subject to the approval of the plan by the Lieutenant Governor in Council, the Board must wind up the Corporation’s affairs and transfer its assets, liabilities, rights and obligations in accordance with the plan. The Bill also includes the *Ontario Place Corporation Repeal Act*, which upon proclamation would dissolve the Corporation. Until the wind-up plan is approved and the Act is repealed, the Corporation continues to be responsible for the operations of the site.

The Province continues to plan for the redevelopment of the Ontario Place site. During 2019, a significant portion of the Corporation’s assets were transferred to the Province (see Note 16(B))

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) 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 of 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 the amphitheatre agreement with Live Nation Inc. 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.

Ontario Place Corporation

Notes to Financial Statements

As at December 31, 2020

2. Significant Accounting Policies (continued)

(C) EXPENSES

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

(D) INVENTORY

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

(E) CAPITAL ASSETS

Capital assets held by the Corporation 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.

Equipment, Furniture and Fixtures	4-15 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 contributes to the Corporation's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in its value. Any unamortized deferred capital contribution amount related to the capital assets is recognized in the Statement of Operations.

(F) TRADEMARK AND OTHER RIGHTS

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

(G) 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 the useful life of capital assets. Actual amounts could differ from these estimates.

Ontario Place Corporation

Notes to Financial Statements

As at December 31, 2020

2. Significant Accounting Policies (continued)

(H) 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 is recorded at cost, as cash is subject to an insignificant risk of change in value. Carrying value approximates fair value.
- Accounts Receivable and Note Receivable are recorded at cost. Valuation allowances are made to reflect at the lower of amortized cost and net realizable value, when collectability and risk of loss exists. Change in valuation is recognized in the Statement of Operations.
- Accounts Payable and Accrued Liabilities, Due to the Province of Ontario and Deferred Revenue are recorded at cost.

The Corporation does not use derivative financial instruments.

(I) 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. Accounts Receivable

	2020 (\$000)	2019 (\$000)
Province of Ontario – Remediation Funding (Note 8)	1,353	2,650
Province of Ontario – Reconnect-Festivals & Events; Outdoor Dive-in Cinema	40	-
Province of Ontario – East Island	-	2,222
Province of Ontario – Canada Day	-	6
Trade	484	473
Other	227	673
	<u>2,104</u>	<u>6,024</u>

4. Capital Assets

	2020		2019	
	Cost (\$ 000)	Accumulated Amortization (\$ 000)	Net Book Value (\$ 000)	Net Book Value (\$ 000)
Equipment, furniture and fixtures	4,059	1,782	2,277	2,524
Computer equipment	215	160	55	94
	<u>4,274</u>	<u>1,942</u>	<u>2,332</u>	<u>2,618</u>

During 2020, the Corporation transferred capital assets with a net book value of \$0.129 million (2019 - \$142.009 million) to the Province (see Notes 16(B)).

Ontario Place Corporation

Notes to Financial Statements

As at December 31, 2020

5. Accounts Payable and Accrued Liabilities

The accounts payable to Infrastructure Ontario (a related party) is for infrastructure project planning and implementation services provided to the Corporation. The trade payable relates to the Corporation's normal business transactions with third-party vendors, which are subject to standard commercial terms. Accrued liabilities consist of the current portion of accrued employee benefit obligations.

	2020	2019
	(\$000)	(\$000)
Accounts payable to Infrastructure Ontario	1,523	5,006
Trade payable	799	558
Accrued liabilities – Employee benefits obligation	230	261
	<u>2,552</u>	<u>5,825</u>

6. Employee Future Benefits

(A) PENSION BENEFITS

The Corporation provides pension benefits for all its permanent employees (and to non-permanent employees who elect to participate in the pension plan) through the Public Service Pension Fund ("PSPF") and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund). Both plans are 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. In 2020 the Corporation contributed \$188,978 (2019 - \$187,919) which is included in Employee Benefits in Schedule 3.

(B) ACCRUED EMPLOYEE BENEFITS OBLIGATION

The cost of unused vacation entitlements, overtime and legislated severance earned by employees during the year amounted to \$83,842 (2019 - \$81,853) and are included in Employee Benefits in Schedule 3.

Total liability for these costs is reflected in accrued employee benefit obligations, less any amounts payable within one year, which are included in accounts payable and accrued liabilities as follows:

	2020	2019
	(\$000)	(\$000)
Total liability for severance, vacation and other benefits	407	435
Less: Due within one year and included in accounts payable and accrued liabilities [Note 5]	(230)	(261)
Accrued employee benefits obligation	<u>177</u>	<u>174</u>

(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.

Ontario Place Corporation

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As at December 31, 2020

7. Capital Lease Obligations

During 2018, the Corporation entered into a capital lease for a vehicle. The lease is amortized on a straight-line basis over its economic life of 4 years. The following is a schedule of future lease payments, which expire in August 2022, together with the balance of the obligation.

	2020 (\$000)
2021	9
2022	6
Total minimum lease payments	15
Less: current portion	(9)
Balance of the obligation	6

The current portion, the amount payable within one year, is included in Accounts Payable and Accrued Liabilities on the Statement of Financial Position.

The interest incurred on the lease for the year was \$772 (2019 - \$1,100) and is included in Administration and Property Tax in Schedule 3.

8. Transfer of liability for contaminated site to the Province

On August 16, 2019, the Corporation's liability for contaminated site of \$47.350 million was transferred to the Province. As a result of the transfer, the Corporation is no longer responsible for remediating the contaminated site.

Site remediation costs incurred by the Corporation are reimbursed by the Ministry. No such costs were incurred in 2020 (2019 - \$2.650 million). As at December 31, 2020, the Corporation's accounts receivable included \$1.353 million (2019 - \$2.650 million) due from the Province for site remediation costs (see Note 3).

9. Deferred Contributions

Deferred contributions represent unspent externally restricted operating grants received from the Province for the maintenance of specific assets. Changes in Deferred Contributions are as follows:

	2020 (\$ 000)	2019 (\$ 000)
Balance, beginning of year	877	1,055
Add: amounts received during the year	-	10
Less: amounts recognized as revenue in the year	(113)	(188)
Balance, end of year	764	877

Ontario Place Corporation

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As at December 31, 2020

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 the capital assets balance for the year are as follows:

	2020 (\$ 000)	2019 (\$ 000)
Balance, beginning of year	1,607	14,402
Add: Contributions for capital assets	-	2,222
Less: Amount recognized related to transfer of capital asset to the Province [Notes 16 (B)]	(48)	(14,018)
Less: Amount recognized as revenue in the year	(275)	(999)
Balance, end of year	1,284	1,607

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

	2020 (\$ 000)	2019 (\$ 000)
Unamortized Deferred Capital Contributions	1,284	1,559
Unspent Deferred Capital Contributions	-	48
Balance, end of year	1,284	1,607

11. Invested in Capital Assets

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

	2020 (\$ 000)	2019 (\$ 000)
Capital Assets	2,332	2,618
Less amount financed by deferred capital contributions [Note 10]	(1,284)	(1,559)
	1,048	1,059

Change in net assets invested in capital assets is:

	2020 (\$ 000)	2019 (\$ 000)
Purchase of capital assets	295	2,736
Transfer of capital assets to the Province [Notes 16(B)]	(129)	(142,009)
Deferred capital contributions related to transfer of capital assets to the Province [Note 16 (B)]	48	14,018
Deferred capital contributions used to fund purchase of capital assets	(48)	(2,174)
Amortization of deferred capital contributions	275	999
Amortization of capital assets	(452)	(1,620)
	(11)	(128,050)

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As at December 31, 2020

12. Net change in Non-cash Working Capital

	2020	2019
	(\$000)	(\$000)
Accounts Receivable	3,920	(3,040)
Inventory	25	2
Prepaid Expenses	(195)	(84)
Trademark and Other Rights	113	113
Accounts Payable and Accrued Liabilities	(3,273)	4,025
Due to Province	26	(28)
Deferred Revenue	(28)	(16)
	<u>588</u>	<u>972</u>

13. Financial Instruments

(A) LIQUIDITY RISK:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations in a timely manner or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares an annual budget and cash forecasts throughout the year 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 and note receivable.

The trade account receivable aging is summarized below:

	2020	2019
	(\$ 000)	(\$ 000)
Less than 30 days	9	195
31-60 days	342	167
61-90 days	125	1
More than 90 days	8	110
	<u>484</u>	<u>473</u>

An allowance for doubtful accounts of \$150,000 (2019 – \$28,000) has been recognized and included in the amounts above.

In 2020, the Note Receivable of \$612,000 reflects the concessionary payment arrangements with a customer due to the COVID-19 pandemic. The Note Receivable bears no interest and is repayable in equal monthly installments from May 2022 to October 2022.

It is management's opinion that the Corporation is not exposed to any significant liquidity or credit risk arising from its other financial instruments.

Ontario Place Corporation

Notes to Financial Statements

As at December 31, 2020

14. Related Party Transactions

The Corporation is controlled by the Province and receives funding from the Province. The Corporation is a related party to other organizations that are controlled by or are subject to significant influence by the Province. In 2020, transactions with these organizations were:

- The Ministry of Heritage, Sport, Tourism and Culture Industries provides procurement, legal, and program services to the Corporation at no charge.
- Other provincial ministries provide administrative and human resources support. In 2020, these costs amounted to \$64,721 (2019 - \$62,782) and are included in Administration and Property Tax in Schedule 3.
- Infrastructure Ontario provides the Corporation with Infrastructure Project Planning and Implementation Services. In 2019, Infrastructure Ontario charged the Corporation \$5 million for these services. As at December 31, 2020, the Corporation's Accounts Payable and Accrued Liabilities included \$1.523 million payable to Infrastructure Ontario.
- Other related party transactions are described in Note 3, 6(c), 8 and 16.

15. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The Corporation's contractual rights arise from a contract entered into for the lease of land to Live Nation Inc. from August 15, 1994 to December 31, 2025. The future revenue is determined by the amount of the base rent and an amount calculated based on an escalating scale of the gross revenue achieved at the amphitheatre in excess of the base rent.

16. Ontario Place Redevelopment

(A) CALL FOR DEVELOPMENT

On January 18, 2019, the Ontario Government announced a process for the comprehensive redevelopment of the Ontario Place site. On May 28, 2019, the government launched a Call for Development and received submissions until September 24, 2019. On July 30, 2021, the Ontario government announced details of its development plan to revitalize Ontario Place site with private sector partnerships, into a world-class tourism destination. The plan calls for providing family friendly entertainment as well as enhancing public spaces while retaining key heritage and recreational features of the site. The Ontario government is undertaking ongoing consultation and information sessions with key stakeholders as well as businesses and community groups.

(B) TRANSFER OF CAPITAL ASSETS TO THE PROVINCE

On August 14, 2019, the Corporation entered into an agreement with Infrastructure Ontario, a provincial agency, to use the land, buildings and structures (collectively, the space) on the Ontario Place site at no charge. Pursuant to the agreement, the Corporation is responsible for all administrative, operational, maintenance and repair costs related to the space. All capital assets made to the space by the Corporation are transferred to the Province upon installation for no consideration. During the year the Corporation transferred \$0.129 million (2019 - \$0.170 million) in capital asset improvements to the Province under this agreement.

Ontario Place Corporation

Notes to Financial Statements

As at December 31, 2020

16. Ontario Place Redevelopment (continued)

During 2019, an Order in Council revoked the Corporation's administration and control of the land at the Ontario Place site, and transferred it to the Province. The Corporation transferred a total of \$141.839 million in capital assets to the Province for no consideration.

These transfers are recognized as a Transfer of Capital Assets to the Province on the Statement of Operations, and includes the transfer of capital asset improvements. The transferred assets are comprised of the following:

	2020 (\$000)	2019 (\$000)
Capital asset improvements per the agreement	129	170
Land, water lots	-	101,660
Land improvements	-	22,176
Building and structures	-	17,719
Equipment, fixtures	-	284
Capital assets per the Order in Council	-	141,839
Total transfer of capital assets to the Province	129	142,009

A portion of capital assets transferred were initially funded by the Province. As a result, the Corporation recognized \$0.048 million (2019 - \$14.018 million) in deferred capital contributions relating to these transfers. This is recognized as Deferred Capital Contributions Related to Capital Assets Transferred to the Province 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.

18. COVID-19

The COVID-19 Pandemic had a significant impact on both revenues and expenses for the Corporation. Due to physical distancing requirements, many of the events that traditionally take place on the site were cancelled including concerts at Budweiser Stage and Echo Beach. The site closed on Friday March 13, 2020 and partially reopened on Friday May 15, 2020 primarily for public access for recreational purposes, seasonal marina activities and for the open air drive-in movie experience. The 2021 operating revenues of the Corporation have also been impacted as a result of the continuing measures in response to COVID-19.