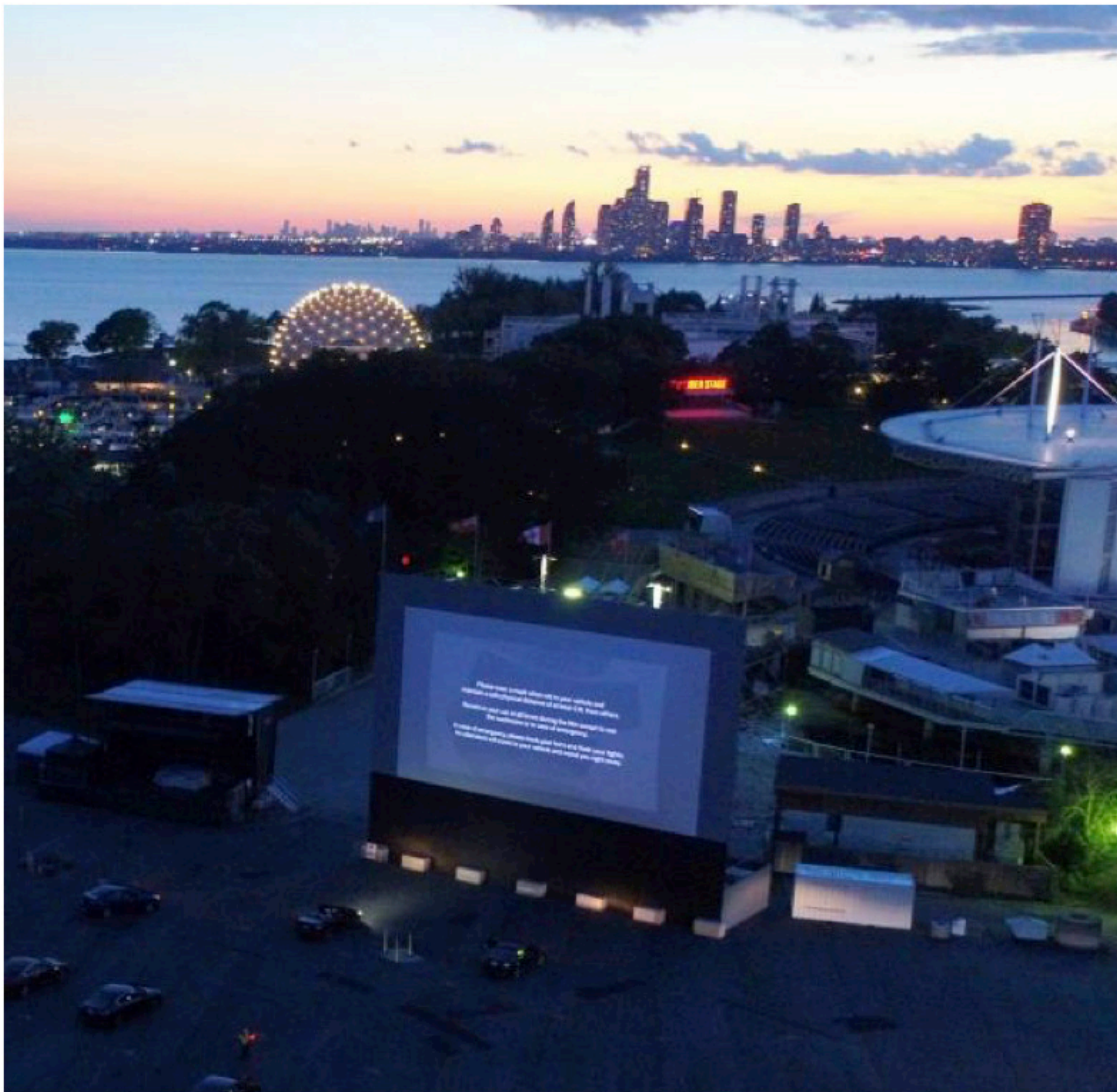


 ontario place

2021

Annual Report



For the year ending in December 31, 2021

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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
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Overview of Ontario Place Corporation Operations in 2021

The COVID-19 pandemic continued to impact Ontario Place Corporation's (OPC) operations in 2021, as the organization navigated ongoing and ever evolving pandemic and public health restrictions. Live Nation, OPC's primary tenant, was also impacted, missing another summer concert season.

The pandemic itself continued to be present on a global basis and evolved throughout the year as countries worked to vaccinate their citizens. In Ontario, the Ontario Health Association declared a third wave in March and by spring the Delta variant was present in the province followed by the Omicron variant in late fall. As the virus continued to evolve, the province worked to provide vaccines to its citizens. The various public health restrictions put in place to address the evolving virus saw the province swing from stay-at-home orders at the start of the year to full capacity in large venues with a return to capped capacity in these same places as the year ended.

In 2021, and despite the challenges presented by the pandemic, OPC was able to keep the site open for visitors as a safe outdoor escape and was able to build on the pandemic-driven programming innovations it introduced in 2020 to help various cultural partners connect with their audiences. OPC's temporary Drive-In cinema space was used extensively by various cultural partners and the recreation equipment rentals, the ever popular firepit rentals and the site's outdoor recreation amenities such as basketball courts, table tennis, skate board park and beach volleyball, continued to be popular draws. The Cinesphere was finally able to open in November with a first run movie, Marvel's The Eternals, and the Ontario Place Marina, once open, operated at capacity. These activities, combined with the many daily visitors running, biking, and walking through the property drew approximately 573,000 visitors.

Throughout the year, OPC staff were committed to ensuring the site was open, clean, safe and accessible for active and passive recreation users, our program partners, third party event organizers and film production companies who used various areas of the site for their productions. These activities contributed to a 26% increase in operating revenues over 2020, leading to an operating surplus (before other items) of \$0.95 million in 2021.

An Ontario Place redevelopment milestone was also achieved, with the government of Ontario announcing on July 30, 2021, details of its plan to revitalize Ontario Place into a world-class destination. The government announced three successful participants from the 2019 Call for Development process that will help deliver an exciting, inclusive, and family friendly experience. With this announcement, Infrastructure Ontario began to carry out early work activities such as environmental investigations and studies, and early construction activities.

Overview of 2021 Programs and Activations

The continuing and ever evolving pandemic created a number of stops and starts for OPC as the organization worked to adjust its operations, programs, and activations to ensure they aligned with changing public health restrictions throughout the year. As a result, OPC was able to provide a variety of programs, events and activations to its approximately 573,000 visitors.

The 2021 year began with the province under stay-at-home orders, which remained in place until these orders were lifted in early March 2021. During this time, Ontario Place remained open for passive recreation use and was a welcome outdoor escape for visitors.

With the news that the stay-at-home order would be lifted on March 5, OPC made plans to reopen its Drive-In on April 1. This program was short lived as the Ontario Hospital Association declared on March 15 that the province was experiencing a third wave. On April 1, the government announced another province-wide shutdown effective April 3rd and with that, OPC's Drive-In ceased operations for the time being. The government extended the stay-at-home orders on April 16th closing outdoor recreational amenities such as basketball and tennis courts and OPC's ever popular fire pits.

On May 1, the Ontario Place Marina opened for boat launches only and remained closed for the purposes of recreational boating. On May 20th, the government announced a three-step plan, Roadmap to Reopen, starting with the reopening of recreational amenities. With this announcement, the OPC Marina opened for recreational boating on May 22 and OPC's Site Services team began to install recreational amenities such as basketball, volleyball nets and table tennis around the site. Fire pit reservations reopened with a capacity of 5 visitors and Vista Eatery began to prepare for weekend service.

On June 7th, the government announced the province would move to Step 1 of the reopening Roadmap. With this, OPC announced plans to reopen the Drive-In on June 18, gathering capacity for fire pit reservations was increased to 10 and Vista Eatery extended its operating hours to include Fridays.

In addition to these activities, there was a broad and varied range of programming on site provided by a number of returning partners. OPC was pleased to welcome back popular activities such as Lake Shore Boat Rentals, Go Tours with Segway rentals, Yoga in the Park, CJ's Skatepark, and Wigwam Chi-Chemung.

Some returning partners expanded their programs in 2021 such as the Toronto International Film Festival (TIFF) and the Italian Contemporary Film Festival (ICFF) which added a month long open air cinema to their summer program. TuJazz, along with SING! The Toronto Vocal Arts Festival, provided live entertainment from established and emerging Jazz musicians, as well as a cappella performances in a wide variety of styles including live looping, world, jazz, pop, folk, barbershop, and more as part of OPC's Summer Live Music Festival.

New partners provided unique programs and activations in 2021 including the Brain Project from the Baycrest Foundation, a walking tour from ArtworxTO, the Over Floe art installation, Sea Doo rentals from 416 Navy, a Hercinia Arts residency and the Hoop Dreams Basketball Skills camp.

The OPC Drive-In was used by a number of third-party event organizers to host their events, including TIFF, ICFF, Hot Docs, Inside Out, imagineNATIVE, Hit & Run Halloween experience and the Snow Magic winter drive through experience.

Over the course of the summer, the government continued to move through the steps of the Roadmap to Reopen with increased capacity limits for outdoor gatherings including in outdoor concert venues, cinemas, and theatres. Throughout the year, OPC was able to provide event venue spaces for a variety of artistic, music, and film production events, all within the public health restrictions that were in place at the time of the events.

During this time, the Marina continued to operate at full capacity and increased revenue from its retail centre (fuel and pump outs) and LN returned with a limited number of live shows at its Budweiser Stage.

In September, the government announced that it would introduce a Proof of Vaccination requirement for high-risk settings, effective September 22. The Cinesphere was considered a high risk setting for the purposes of the Proof of Vaccination. In early October, the government announced that capacity limits would be removed in high-risk venues such as concert venues, cinemas and theatres where Proof of Vaccination was a requirement. Considered a high-risk setting, the Cinesphere adopted the Proof of Vaccination protocol and reopened on November 4 with a first run screening of *The Eternals*. OPC was thrilled to see visitors return to its iconic IMAX theatre.

By late fall, the Omicron variant was present in Ontario and by the middle of December, capacity limits in venues such as cinemas were returned to one half.

In support of its programs and activations, Ontario Place offered on-site parking with over 1,500 parking spaces in four parking lots. These spaces were used in 2021 by OPC boaters and site visitors. Historically, parking spots are also used by visitors to events at the Budweiser Stage. With the reduction in live entertainment at Budweiser Stage, the parking lots were used in 2021 by a variety of rental clients for events such as a weekend food/entertainment festival to film productions.

Operational & Financial Highlights - 2021 Programs and Activations

Operational Highlights

In 2021, Ontario Place welcomed approximately 573,000 visitors to the grounds. While it is a decrease from 2020 when almost 730,000 visitors attended the site, it is an impressive number when the province was under stay-at-home orders for the early part of the year in an effort to help reduce the spread of the virus. The highlights from 2021 included:

- Hosted over 45 third party events and rentals, varying from days in length to months (total of 413 rental days);
- OPC Drive-In was used by a number of third-party event organizers to host their events, including Hot Docs, Inside Out, TIFF and ICFE;
- Although only open for two months and operating at reduced capacity, the Cinesphere screened 6 different films for a total of 158 screenings and welcomed over 5,000 patrons as well as the IMAX new releases of Marvel's The Eternals and West Side Story;
- Added two new fire pit locations and, in spite of a number of stay-at-home orders which shuttered the reservations, this activation remained immensely popular for guests, resulting in a total of 1,367 reservations in 2021, an increase from 233 in 2020;
- Operated the Marina at full capacity during its operating season;
- Saw the return of the Yoga in the Park and the Summer Live Music Festival. The Summer Live Music Festival offered a total of 38 performances, an increase from 20 performances in 2020 and attracted more than 4,200 guests during its run;
- Welcomed new activations such as the Brain Project, Over Floe, Hercinia Arts and Artworx TO walking tours; and
- Supported redevelopment activities such as drilling, surveying and site tours while keeping the site as accessible and safe as possible for OPC visitors.

Financial Highlights

In 2021, Ontario Place generated an operating surplus of \$0.95 million before other items, an improvement from the 2020 operating deficit of \$2.9 million before other items.

- OPC received \$2.2M in Emergency Stabilization Funding from the Ministry to mitigate the uncertainty from the financial impact of the ongoing pandemic.
- Overall, operating revenue increased 26% compared to 2020. Self-generated revenue streams improved over the previous year, except for the Cinesphere which was closed for most of the year due to public health restrictions.
 - Parking revenue increased by 111%, facility rentals by 50% and marina operations by 26%.
- The application of various strategic expenditure management measures resulted in a 4% decrease in Administrative and Operating expenses and offset the increase in direct operating expenses for the augmented level of business activities.

Redevelopment of Ontario Place

In the Ontario 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.

On July 30, 2021, the government of Ontario announced details of its plan to revitalize Ontario Place into a world-class destination. The government announced [three successful participants](#) from the 2019 Call for Development process that will help deliver an exciting, inclusive and family friendly experience. With this announcement, Infrastructure Ontario began to carry out early work activities such as environmental investigations and studies and early construction activities.

2021 Board of Directors

There was no Board in place in 2021.

2021 Senior Management Team

Janet Gates	General Manager and Chief Executive Officer
Grant Eberlin	Senior Manager, Operations & Infrastructure
Eriks Eglite	Director, Special Projects
Hunter Saggar	Senior Manager, Corporate Services (Last day at Ontario Place November 9, 2021)
Glenn Shaver	Senior Manager, Product and Experience Development

Ontario Place Corporation
Financial Statements
For the Year Ended December 31, 2021

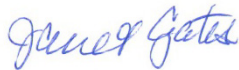
Management's Responsibility for Financial Reporting

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 August 31, 2023.

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 and CEO



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, 2021, 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, 2021, 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.

Emphasis of Matter – Future of Corporation

I draw attention to Note 1 of the financial statements, whereby the OPC's operational functions are anticipated to be transferred to the Province by December 31, 2023. My opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.



Susan Klein, CPA, CA, LPA
Assistant Auditor General

Toronto, Ontario
August 31, 2023

Ontario Place Corporation

Statement of Financial Position

As at December 31, 2021

	2021 (\$000)	2020 (\$000)
ASSETS		
Current		
Cash	3,383	3,311
Accounts and other receivables [Note 3]	1,151	2,104
Note receivable [Note 12(B)]	1,223	-
Inventory	13	4
Prepaid expenses	188	457
	<hr/>	<hr/>
	5,958	5,876
Non-current Assets		
Note receivable [Note 12(B)]	-	612
Capital assets [Note 4]	2,009	2,332
Trademark and Other Rights	538	652
	<hr/>	<hr/>
	2,547	3,596
	<hr/>	<hr/>
TOTAL ASSETS	8,505	9,472
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities [Note 5]	786	2,695
Due to the Province of Ontario	8	4
Deferred revenue	362	85
	<hr/>	<hr/>
	1,156	2,784
Non-current Liabilities		
Accrued employee benefits obligation [Note 6(B)]	204	177
Deferred contributions [Note 7]	651	764
Deferred capital contributions [Note 8]	1,120	1,284
	<hr/>	<hr/>
	1,975	2,225
Net Assets		
Invested in capital assets [Note 9]	922	1,048
Unrestricted	4,452	3,415
	<hr/>	<hr/>
	5,374	4,463
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	8,505	9,472

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, 2021

	2021 (\$ 000)	2020 (\$ 000)
Revenue		
Operating revenue [Schedule 1]	5,009	3,982
Province of Ontario – Operating	2,070	2,070
Province of Ontario – Other contributions [Schedule 2]	2,529	244
Amortization of deferred capital contributions [Note 8]	214	275
Insurance claim settlement [Note 16]	180	-
	<u>10,002</u>	<u>6,571</u>
Expenses		
Administrative and operating expenses [Schedule 3]	(8,671)	(9,077)
Amortization of capital assets	(385)	(452)
	<u>(9,056)</u>	<u>(9,529)</u>
Operating surplus/(deficit) before other items	946	(2,958)
Other Items		
Transfer of capital assets to the Province [Note 10]	(46)	(129)
Deferred capital contributions related to transfer of capital assets to the Province [Note 8, 10]	11	48
	<u>(35)</u>	<u>(81)</u>
Surplus/(deficit) of revenue over expenses	911	(3,039)

See accompanying notes to financial statements.

Ontario Place Corporation

Statement of Changes in Net Assets
For the Year Ended December 31, 2021

	2021 (\$ 000)			2020 (\$ 000)
	Invested in Capital Assets [Note 9]	Unrestricted	Total	Total
Net assets, beginning of year	1,048	3,415	4,463	7,502
Surplus / (deficit) of revenues over expenses	(206)	1,117	911	(3,039)
Invested in capital assets during the year	80	(80)	-	-
Net assets, end of year	922	4,452	5,374	4,463

See accompanying notes to financial statements.

Ontario Place Corporation

Statement of Cash Flows

For the Year Ended December 31, 2021

	2021 (\$ 000)	2020 (\$ 000)
Operating Activities		
Surplus/(Deficit) of revenues over expenses	911	(3,039)
Adjustments for items not requiring an outlay of cash		
Transfer of capital assets to the Province [Note 10]	46	129
Deferred capital contributions related to transfer of capital assets to the Province [Note 8, 10]	(11)	(48)
Amortization of capital assets	385	452
Amortization of deferred capital contributions	(214)	(275)
Net change in non-cash working capital [Note 11]	(301)	594
Change in Note receivable [Note 12B]	(611)	(612)
Change in accrued employee benefit obligation	27	3
Cash provided by / (applied to) operating activities	<u>232</u>	<u>(2,796)</u>
Capital Activities		
Capital asset acquisitions	<u>(108)</u>	<u>(295)</u>
Cash applied to capital activities	<u>(108)</u>	<u>(295)</u>
Financing Activities		
Deferred contributions	(113)	(113)
Deferred capital contributions	61	-
Capital lease obligation	-	(15)
Cash applied to financing activities	<u>(52)</u>	<u>(128)</u>
Increase / (Decrease) in cash during the year	72	(3,219)
Cash, beginning of year	<u>3,311</u>	<u>6,530</u>
Cash, end of year	<u>3,383</u>	<u>3,311</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, 2021

	2021 (\$ 000)	2020 (\$ 000)
Schedule 1		
Operating Revenue		
Concessions and facility rental	1,627	1,084
Amphitheatre (Budweiser Stage)	985	1,000
Marina	762	649
Parking	680	322
Marina retail sales	484	335
Cinesphere	171	277
Activities, sponsorship and partnership	147	119
Other revenue	136	135
Interest income	17	42
Food Services	-	19
	5,009	3,982
 Schedule 2		
Province of Ontario - Other Contributions		
Restricted grant – Emergency stabilization funding	2,201	-
Restricted grant – Summer experience program student funding	132	-
Restricted grant – Trademark and other rights	113	113
Restricted grant – Repair and rehabilitation	83	-
Restricted grant – Reconnect festivals and events; Outdoor drive-in cinema	-	131
	2,529	244
 Schedule 3		
Administrative and Operating Expenses		
Salaries and wages	3,520	3,485
Employee benefits [Note 6]	481	484
Utilities	1,042	963
Administration and property tax	857	1,071
Loss prevention	646	576
Cost of retail sales	637	601
Equipment rental and service	439	654
Site operations	411	417
Janitorial	258	294
Supplies	176	202
Professional services	80	8
Marketing	66	105
Telecommunications	50	45
Programming	8	172
	8,671	9,077

See accompanying notes to financial statements.

Ontario Place Corporation

Notes to Financial Statements

As at December 31, 2021

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 exempt from federal and provincial income taxes.

The Corporation received funding from the Province of Ontario ("Province") through the Ministry of Tourism, Culture and Sport ("Ministry" – formerly the Ministry of Heritage, Sport, Tourism and Culture Industries).

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. The Bill also includes the Ontario Place Corporation Repeal Act, which upon proclamation would dissolve the Corporation. On June 9, 2023, the Lieutenant Governor of Ontario approved the Corporation's wind-up plan. The Corporation's operational functions are anticipated to be transferred to the Province by December 31, 2023.

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 contributions.
- Unrestricted contributions, including operating grants from the Province, are recognized in revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.
- Restricted operating grants from the Province, 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.

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.

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, 2021

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 and Other Receivables 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 and Other Receivables

	2021 (\$000)	2020 (\$000)
Province of Ontario – Emergency Stabilization Funding	644	-
Province of Ontario – Remediation Funding	-	1,353
Province of Ontario – Reconnect-Festivals & Events: Outdoor Drive-in Cinema	-	40
Trade	278	484
Other	229	227
	<u>1,151</u>	<u>2,104</u>

4. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Equipment, furniture and fixtures	4,091	2,131	1,960	2,277
Computer equipment	228	196	32	55
Work-in-progress	17	-	17	-
	<u>4,336</u>	<u>2,327</u>	<u>2,009</u>	<u>2,332</u>

Ontario Place Corporation

Notes to Financial Statements

As at December 31, 2021

5. Accounts Payable and Accrued Liabilities

The trade payable and accruals relate to the Corporation's normal business transactions with third-party vendors, which are subject to standard commercial terms. Payroll liabilities consist of salaries, wages, other employee benefits and current portion of post employment benefits.

	2021 (\$000)	2020 (\$000)
Trade payable and accruals	315	805
Payroll liabilities	471	367
Accounts payable to Infrastructure Ontario	-	1,523
	<u>786</u>	<u>2,695</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 2021, the Corporation contributed \$194,747 (2020 - \$188,978) which is included in Employee Benefits in Schedule 3.

(B) ACCRUED EMPLOYEE BENEFITS OBLIGATION

The cost of post employment benefits, including severance and other termination benefits earned by employees during the year, amounted to \$179,039 (2020 - \$24,267) 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:

	2021 (\$000)	2020 (\$000)
Total liability for post employment benefits	355	220
Less: Due within one year and included in accounts payable and accrued liabilities [Note 5]	(151)	(43)
Accrued employee benefits obligation	<u>204</u>	<u>177</u>

(C) OTHER NON-PENSION POST RETIREMENT BENEFITS

The cost of post-retirement non-pension employee benefits are paid by the Ministry of Public and Business Service Delivery and are not included in the Statement of Operations.

Ontario Place Corporation

Notes to Financial Statements

As at December 31, 2021

7. 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:

	2021 (\$ 000)	2020 (\$ 000)
Balance, beginning of year	764	877
Less: amounts recognized as revenue in the year	(113)	(113)
Balance, end of year	651	764

8. 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 for the year are as follows:

	2021 (\$ 000)	2020 (\$ 000)
Balance, beginning of year	1,284	1,607
Add: Contributions for capital assets	61	-
Less: Amount recognized related to transfer of capital assets to the Province [Notes 10]	(11)	(48)
Less: Amount recognized as revenue in the year	(214)	(275)
Balance, end of year	1,120	1,284

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

	2021 (\$ 000)	2020 (\$ 000)
Unamortized Deferred Capital Contributions	1,087	1,284
Unspent Deferred Capital Contributions	33	-
Balance, end of year	1,120	1,284

9. 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.

	2021 (\$ 000)	2020 (\$ 000)
Capital Assets	2,009	2,332
Less amount financed by deferred capital contributions [Note 8]	(1,087)	(1,284)
	922	1,048

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9. Invested in Capital Assets (continued)

Changes in net assets invested in capital assets are as follows:

	2021 (\$ 000)	2020 (\$ 000)
Purchase of capital assets	108	295
Transfer of capital assets to the Province [Notes 10]	(46)	(129)
Deferred capital contributions related to transfer of capital assets to the Province [Note 10]	11	48
Deferred capital contributions used to fund purchase of capital assets	(28)	(48)
Amortization of deferred capital contributions	214	275
Amortization of capital assets	(385)	(452)
	<u>(126)</u>	<u>(11)</u>

10. 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 asset additions and/or improvements made to the space by the Corporation are transferred to the Province upon installation for no consideration. During the year the Corporation transferred \$46,000 (2020 - \$129,000) in capital asset improvements to the Province under this agreement. These transfers are recognized as a Transfer of Capital Assets to the Province on the Statement of Operations.

A portion of capital assets transferred were initially funded by the Province. As a result, the Corporation recognized \$11,000 (2020 - \$48,000) 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.

11. Net change in Non-cash Working Capital

	2021 (\$000)	2020 (\$000)
Accounts and Other Receivables	953	3,920
Inventory	(9)	25
Prepaid Expenses	269	(195)
Trademark and Other Rights	114	113
Accounts Payable and Accrued Liabilities	(1,909)	(3,130)
Due to Province	4	(111)
Deferred Revenue	277	(28)
	<u>(301)</u>	<u>594</u>

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12. 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 accounts receivable aging is summarized below:

	2021 (\$ 000)	2020 (\$ 000)
Less than 30 days	252	9
31-60 days	-	342
61-90 days	19	125
More than 90 days	7	8
	<u>278</u>	<u>484</u>

An allowance for doubtful accounts of \$16,000 (2020 – \$150,000) has been recognized and included in the amounts above.

A non-interest-bearing Note Receivable of \$1,223,000 (2020 – \$612,000) was recorded to reflect the concessionary payment arrangements with a customer due to the COVID-19 Pandemic. The note 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 financial instruments.

13. 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 2021, transactions with these organizations were:

- The Ministry provided procurement, legal, and program services to the Corporation at no charge.
- Other provincial ministries provide administrative and human resources support. In 2021, these costs amounted to \$65,350 (2020 - \$64,721) and are included in Administration and Property Tax in Schedule 3.
- Other related party transactions are described in Note 3, 5, 6(c) and 10.

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As at December 31, 2021

14. 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.

15. Ontario Place Redevelopment

The Province launched a Call for Development in 2019 for the comprehensive redevelopment of the Ontario Place Site. On July 30, 2021, the Province announced details of its development plan to revitalize the site into a world-class tourism destination, with private sector partnerships. On April 18, 2023, the Province announced plans to re-locate the Ontario Science Centre to the Ontario Place site. In addition, the Province has commenced various other redevelopment activities such as environmental assessments, heritage impact statements, modernization of site services and infrastructure upgrades necessary to prepare the site for redevelopment.

16. Insurance Claim Settlement

In April 2021, two access bridges to the Ontario Place site were damaged by a third-party vehicle. In July 2022, the Corporation accepted a settlement of \$180,300 from the third-party's insurance company as compensation. The proceeds were reported in the Statement of Operations as Insurance Claim Settlement and included as Accounts and Other Receivables in the Statement of Financial Position.

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 continued impact on the Corporation's 2021 financials. The Ministry provided \$2.2 million in special Emergency Stabilization funding to mitigate revenue losses from the Pandemic and to enable the Ontario Place meet its core obligations. The Corporation returned to typical pre-pandemic activity levels in 2022.