



An agency of the Government of Ontario

ANNUAL REPORT

2022 - 2023

heritagetrust.on.ca

Produced by:

Ontario Heritage Trust
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Toronto, Ontario
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Produced by the Ontario Heritage Trust (an agency of the Ontario Ministry of Citizenship and Multiculturalism).

Aussi disponible en français.

Publication Agreement Number 1738690

E&OE
English:ISSN 1916 –3703 (Online)
French: ISSN 1916 – 3711 (En ligne)
ISBN 0-7794-5434-0

02/24

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Ontario 



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Message from the Chair and Chief Executive Officer

The Ontario Heritage Trust is a commission public body that owns, stewards and leases properties, operates businesses and attractions, and leads the heritage sector by developing and sharing innovative business models and serving as a conservation partner. The Trust provides value for money to the taxpayers of Ontario and sponsors, donors and other funders by operating efficiently and effectively.

The Trust's work in 2022-23 advanced the priorities of the Ministry of Citizenship and Multiculturalism, including protecting cultural heritage resources, promoting Ontario's history and supporting local tourism. As the world continued to adapt to the impacts of the COVID-19 pandemic, the broad reach of Trust programming and partnerships across the province uniquely positioned the agency to lead and support the economic and cultural recovery of the culture and heritage sectors moving into 2023-24. The Trust led by example, showcasing innovative business approaches.

The Trust also built on its successful re-focusing of online experiences while continuing to engage the public through the popular Doors Open Ontario program and museum activities for educators and students. The Trust team, as always, worked to ensure the safety and security of Trust properties and collections. Of note, the Trust also shared expertise and strategies to support heritage and stewardship partners across the province.

The performance measures in 2022-23 demonstrate continuing interest in Trust sites, the resilience of Trust business models and the sustainability of Trust programs:

In 2022-23, we:

- Maintained access to heritage programming by welcoming close to 335,000 participants to digital programs.
- Increased the social media fan base to over 28,000 (an increase of 10 per cent in comparison to 2021-22) with 7.7 million total social media impressions.
- Continued to have a presence in 85 per cent of Ontario municipalities and with an increasing number of Indigenous communities, protecting land and easement properties, providing educational programming and visitor experiences, and building conservation capacity.
- Delivered programs and events across Ontario, which had an estimated economic impact of \$5.5 million and contributed to the quality of life of Ontarians.
- Promoted anti-racism and diversity through the inclusive interpretation of history and commemoration activities and events.

With the support of an accomplished team of heritage professionals, dedicated board members and engaged partners, funders and volunteers, the Trust continues to be a centre of heritage excellence for the people of Ontario.

John Ecker
Chair, Board of Directors, Ontario Heritage Trust



Helen Chimirri-Russell
Chief Executive Officer, Ontario Heritage Trust



Strategic direction [2020-23]

Our mandate

The Ontario Heritage Trust has a provincewide mandate to conserve, interpret and share Ontario’s heritage. The Trust acts as a centre of expertise and serves as the heritage trustee and steward for the people of Ontario. The Trust conserves provincially significant cultural, natural, tangible and intangible heritage, interprets Ontario’s history, celebrates its diversity and educates Ontarians of its importance in our society. [Ontario Heritage Act, R.S.O.1990]

Our vision

An Ontario where we conserve, value and share the places and landscapes, histories, traditions and stories that embody our heritage, now and for future generations.

Our mission

- Demonstrate excellence in the conservation and stewardship of places and landscapes, objects, traditions and stories.
- Expand the narrative, spark new conversations, give voice to the diversity of Ontario’s people and places.
- Share knowledge and expertise and foster an understanding of our histories and heritage in everyday life.
- Build mutually rewarding relationships with new and current partners.

Our values

1. Integrated approach to conservation

- Integrated approach to conservation and stewardship of cultural, natural, tangible and intangible heritage.
- The centrality of heritage conservation in the effective stewardship of the environment and in the creation of sustainable and resilient communities.
- Landscapes of memory, storytelling, tradition and language as irreplaceable heritage resources of cultural significance.

2. Respect and inclusion

- Inclusive, multi-faceted representations of the province’s heritage that reflect our diversity and complexity.
- The discovery, knowledge and insight, generated by cultural heritage, which fosters cultural affiliation and reconciliation, and enables us to understand ourselves better.

3. Inspiration and innovation

- The potential of heritage to inspire, stimulate creativity and motivate us to bequeath knowledge, narratives and histories, and a diverse and authentic cultural environment for future generations.

4. Co-operation and collaboration

- Mutually rewarding relationships with new and current partner organizations.
- Create partnerships to build and enhance conservation capacity in communities.

5. Public good

- Holistic, sustainable planning that serves the public good and establishes a sense of place, civic identity and permanence.
- Empowering partners and individuals to be conservation leaders in their own communities.

Strategic themes [2020-23]

Lead

- Demonstrate a holistic, innovative, integrated approach to conservation.
- Champion the relevance and importance of a shared multi-faceted understanding of our past and present, while revealing and celebrating how it can inspire our future.
- Collaborate, expand and enhance partnerships to build community capacity for conservation.
- Spark new conversations and expand the narrative about Ontario’s heritage.
- Transform Ontario’s understanding of the connection between heritage conservation, environmental sustainability, economic stimulus and community identity.
- Build relationships with Indigenous communities to support the protection and celebration of Indigenous heritage and identity.

Conserve

- Actively steward lands, cultural landscapes and cultural resources; protect, conserve and share the values of places and landscapes.
- Demonstrate successful operating models and revitalization examples.
- Actively promote Trust sites as spaces to stimulate artistic expression and showcase cultural industries/productions.
- Support the use and vitality of conservation arts, trades and skills.

Educate

- Provide learning opportunities for all, whether for people visiting our sites, participating in our programs, browsing online or reading our publications.
- Celebrate and share the diversity of the province’s tangible and intangible heritage.
- Expand the narrative to include history from all periods.
- Identify, safeguard and promote the intangible values of traditions and stories.
- Create unique educational opportunities and cultural program experiences through our properties, programs and partnerships.

Inspire

- Engage new audiences by focusing on diverse programs and opportunities.
- Invite Ontarians to share, value and celebrate the complex narratives we have inherited.
- Develop our digital environment to tell Ontario’s stories in vivid new ways and engage a wider audience.
- Forge and nurture connections to amplify the work we do as partners, achieving more together.
- Provide programs and professional development opportunities to cultivate youth participation in, and excitement for, heritage and the arts.
- Show the relevancy, connection and value of our partnerships.

Excel

- Create partnerships and collaborations, bringing different skills, resources and perspectives to key initiatives.
- Invest in our visitor experience.
- Build greater awareness of the Trust’s work and its achievements.
- Strengthen financial and organizational resilience, model adaptive reuse and pursue entrepreneurial opportunities.
- Meet high standards and best practices of governance, fiscal management, entrepreneurship, sustainability and accountability.
- Demonstrate a culture of diversity, inclusion, respect and professionalism.
- Promote innovation and creativity, social and environmental responsibility.

Board of Directors [2022-23]

Members of the Board of Directors are appointed by the Lieutenant Governor in Council. The following members served on the Board of Directors of the Ontario Heritage Trust for the 2022-23 fiscal year (April 1, 2022, to March 31, 2023):

John Ecker (Whitby)

July 23, 2020, to January 13, 2025

Bob Taylor-Vaisey, Vice-Chair (Scarborough)

March 4, 2021, to March 4, 2024

Eileen Costello (Toronto)

April 2, 2020, to April 9, 2023

Richard Hall (Port Colborne)

November 12, 2020, to November 12, 2023

Patricia Hellingman (Hamilton)

February 11, 2021, to February 11, 2024

Zygmunt Janecki (Kitchener)

August 6, 2020, to August 6, 2023

Robin McGinnis (Thunder Bay)

February 23, 2023, to February 23, 2026

Mandy Nwobu (Toronto)

February 11, 2021, to February 11, 2024

Lawrence Ostola (Carleton Place)

February 23, 2023, to February 23, 2026

Linda Pabst (King Township)

April 8, 2021, to June 6, 2022

Stephen Pellegrini (Kettleby)

December 10, 2020, to December 10, 2023

Frederick Robbins (Whitchurch-Stouffville)

February 11, 2021, to February 11, 2024

Rudy Santos (Toronto)

February 18, 2021, to February 18, 2024

Heather White (Oshawa)

March 4, 2021, to March 4, 2024

As per section 14(1) of the Ontario Heritage Act, R.S.O.1990, members of the Board of Directors shall serve without remuneration.

Highlights [2022-23]

The Trust is committed to delivering its mandate across Ontario, while continuing to explore how it can be delivered efficiently, as well as continuing to be relevant to Ontarians in an ever-changing world.

In 2022-23, the Trust:

- Leveraged the broad reach of our programming and partnerships across the province to lead and support the ongoing economic and cultural recovery of culture and heritage sectors (for example, Doors Open Ontario) programming.
- Protected land and easement properties, provided educational programming, supported cultural amenities, and built conservation capacity in 85 per cent of Ontario’s municipalities and many Indigenous communities.
- Continued to understand its role in public memory making. The Trust, in collaboration with historians, knowledge keepers and communities, started the process of modernizing outdated language and historiography on several provincial plaques. This will be a continued focus for the Trust moving forward.
- Expanded digital programming at Fulford Place with self-guided and digitally enhanced tours.
- Started several capital projects to improve accessibility and support adaptive reuse or modernize building systems and infrastructure with an emphasis on health and safety and asset integrity. These projects included Inge Va, the Centennial Park buildings in Moose Factory, Rockwood, as well as preventative maintenance on several Eastern Ontario Trust sites (including building envelope and base building system repairs).
- Increased flexibility in venue booking to remove barriers, while also encouraging diverse user groups to support the live-performance industry as it started to recover from the COVID pandemic.
- Expanded public access at the Elgin and Winter Garden Theatre Centre with new ventures, including a partnership with Haunted Walks Toronto.
- Continued to deliver public education initiatives that provided space for Ontarians to share their heritage perspectives via the Trust’s social media platforms, website and interpretive programs.

Assets

The Trust’s portfolio of assets comprises:

- 192 owned properties
- 265 conservation easements on provincially significant heritage properties in 113 municipalities including,
 - o 196 cultural heritage properties
 - o 69 natural heritage properties
- Approximately 935,000 archaeological artifacts
- Over 25,000 cultural artifacts related to Trust properties
- Nearly 1,300 blue and gold plaques displayed in communities across Ontario

Key impacts

- On the 2022 National Day for Truth and Reconciliation, the Trust, in partnership with the Children of Shingwauk Alumni Association and Algoma University, unveiled a new provincial plaque commemorating the former Shingwauk Indian Residential School in Sault Ste. Marie. The new plaque replaced an outdated 1977 version that excluded facts about the true purpose of the residential school and misrepresented the experiences of students. Historian Skylee-Storm Hogan, in consultation with Survivors of the school, was engaged to research and expand on the history of the institution to provide an authentic and honest account of its impact and legacy. The Trust also worked with the Children of Shingwauk Alumni Association and the Shingwauk Residential Schools Centre at Algoma University to review the new plaque text and its translations to Anishinaabemowin and Swampy Cree.
- Unveiled four updated provincial plaques commemorating four significant communities and events from Southwestern Ontario and Niagara Region’s Black history. The plaques honour the resilience and perseverance of Black communities in the face of hardship and celebrate the success of Black settlers and freedom seekers who have contributed to the fabric of the province. The original plaques were created between 1957 and 1966 and reflected the biases and terminology of the time. The Trust engaged prominent historians Natasha Henry and Adrienne Shadd to develop new research and provide a more comprehensive interpretation of the historical events.
- Delivered on its efforts to preserve the legacy of a significant contributor to Black culture in Ontario by completing the complex process of renaming the traditional “Uncle Tom’s Cabin Historic Site” to the “Josiah Henson Museum of African-Canadian History.” The Trust collaborated with the local community, developed implementation plans and took additional steps to make the site visitor ready for 2022-23. This effort reaffirms the Trust’s goal of ensuring that the heritage we protect and the stories we tell are respectful, accurate and authentic representations of the peoples who have lived in Ontario.
- Collaborated with municipal partners, in all regions of Ontario, to deliver 21 in-person Doors Open Ontario (DOO) events with 507 sites available to the public. These events attracted over 265,500 in-person visits. Of note, DOO visitation per site was close to 2019 benchmarks – which was a record year – reaffirming significant interest in the program.
- Offered hundreds of DOO online resources and experiences to ensure that the province’s heritage was freely discoverable to anyone with an internet connection, regardless of any other barriers to access.
- Continued to implement Geographical Information System (GIS) mapping, focusing on Trust land management priorities. When complete, Trust data will be publicly available on the Trust’s website.

Lieutenant Governor’s Ontario Heritage Awards

Each year, in co-operation with the Office of the Lieutenant Governor of Ontario, the Trust recognizes exceptional contributions to heritage conservation, environmental sustainability and biodiversity, and cultural and natural heritage. The Lieutenant Governor’s Ontario Heritage Awards celebrate individuals, groups and communities that best demonstrate qualities of leadership, commitment, creativity, positive impact on the community and high standards of conservation.

Lieutenant Governor’s Ontario Heritage Award for Lifetime Achievement

This award recognizes individuals who have made outstanding volunteer contributions to their community, region or province in conserving cultural and/or natural heritage for over 25 years of service.

- Joyce Hisey

Lieutenant Governor’s Ontario Heritage Award for Youth Achievement

Recognizes the most exceptional individuals that have contributed to conserving Ontario’s cultural and/or natural heritage. Individual recipients also receive the Young Heritage Leaders scholarship, jointly sponsored by the Ontario Heritage Trust and Canada Life.

Individual awards

- Grace Anyu Sun
- Jocelyn Kuntsi
- Sarah Syed

Lieutenant Governor’s Ontario Heritage Award for Excellence in Conservation

Recognizes the most exceptional achievements of individuals, groups and organizations in conserving Ontario’s cultural and/or natural heritage through the completion of a specific project.

- The Tower Renewal Partnership
- The Massey Hall Revitalization Project
- The Block-by-Block Program
- The Bombardier Centre for Aerospace and Aviation at Centennial College
- The Points of Pride Exhibition

Lieutenant Governor’s Ontario Heritage Award for Community Leadership

Recognizes exceptional community initiatives for leadership in heritage conservation.

- Historic Sault Ste. Marie Métis Council for the Sault Ste. Marie Métis Centre

The Thomas Symons Award for Commitment to Conservation

Recognizes an individual who has made exceptional contributions in the service of conserving Ontario’s heritage through their professional career.

- Shirley Horn

Donors and partners

Donors, funders and sponsors

The Ontario Heritage Trust truly thanks everyone who has given their time, energy and gifts this year.

Aird & Berlis LLP, Toronto	Joseph H. Howard, Waterloo
Daniel Atkinson, Belleville	Jackman Foundation, Toronto
Badder Funeral Homes Limited, Thamesville	Zyg Janecki, Kitchener
Brian Beattie, Toronto	Michele Jones, Toronto
Steven Bellemare, Ottawa	Karen Kaplan, Toronto
Lisa S. Bowen, Toronto	Joel and Melanie Martin, Hamilton
Tim Boyd, Hamilton	Matthew McCready, Dresden
Barbara A. Britton, Windsor	Nancy C. McFadyen, Toronto
William (Bill) Buchanan, Etobicoke	W.D. McKeough, Blenheim
Brian Caines, Ottawa	Virginia McLaughlin, Cobourg
Canada Life, London	Lily McMorine, Newmarket
Canadian Race Relations Foundation, North York	Ministry of Tourism, Culture and Sport, Toronto
Ruth Cathcart, Toronto	Ian R. Moore, Toronto
CI Investments, Toronto	Richard Moorhouse, Toronto
Arlene Clement, Toronto	Diane Morehouse, Dresden
Eileen P. Costello, Toronto	Albert Mui, Toronto
Paul Dempsey, Mississauga	Lauchlan Munro, Ottawa
Destination Ontario, Toronto	Sandra L. North, Dresden
Dianne Domelle, Thornhill	Gail Packwood, Toronto
Anne Dyer-Witthford, London	Patterson Motors Wallaceburg Limited, Wallaceburg
John E. Ecker, Whitby	Adam Peer, Toronto
Mina Etezadi-Amoli, Toronto	Stephen Pellegrini, King
Allan Fryer, Cobourg	Dave Penfold, Guelph
Karen Lynn L. Fydenchuk, Toronto	Anna Petrescu, Toronto
Goldsmith Borgal & Company Ltd. Architects, Toronto	Harold M. Povilaitis, Toronto
Greenbelt Foundation, Toronto	Shannon Prince, Merlin
Linda Grineage, Chatham	Jana M. Prock, Toronto
Scott Hand, Lenox	RBC Foundation, Toronto
Beth Hanna, Toronto	Larry W. Richards, Toronto
Patricia Hellingman, Hamilton	Frederick Robbins, Whitchurch-Stouffville

Marion Roes, Waterloo
Rudy Santos, Toronto
Margaret Scott, Port Hope
William (Bill) J. Shearing, Morrisburg
Helen Siksek, Gore Bay
Sherry Sims, Chatham
Rolande Smith, Toronto
Michael Street, Ancaster
Regan Takenaka, Toronto
Bob Taylor-Vaisey, Scarborough
TD Bank Group, Toronto
Tenet Computer Group Inc., Markham
Kerry Thompson, Milton
Maria Topalovich, Toronto
Toronto Foundation, Toronto
Uptown Sudbury Community Action Network, Sudbury
Heather White, Oshawa
Kristin Whiteley, Toronto
Young Canada Works, Toronto

And to all donors who wish to remain anonymous.

Partners [2022-23]

- Algoma University
- Algonquin College
- Architectural Conservancy of Ontario
- Architectural Conservancy of Ontario, Cobourg and East Northumberland Branch
- Architecture Conservancy of Ontario, London Branch
- Borderland Pride
- Bruce Trail Conservancy
- Building Roots
- Caledon Countryside Alliance, Caledon Hills Bruce Trail Club
- Canadian Canoe Museum
- Canadian Society of Painters in Water Colour
- Chatham-Kent Museum
- Chippewas of Nawash Unceded First Nation
- City of Hamilton
- City of Ottawa
- City of Toronto
- City of Windsor
- Community Heritage Ontario
- Conservation Halton
- Conservation Ontario
- Couchiching Conservancy
- Credit Valley Conservation
- Curve Lake First Nation
- Destination Ontario
- Digital Doors Open Amherstburg
- Digital Doors Open Aurora
- Digital Doors Open Barrie
- Digital Doors Open Belleville
- Digital Doors Open Brampton
- Digital Doors Open Brockville and Area
- Digital Doors Open Burlington
- Digital Doors Open Chatham-Kent
- Digital Doors Open Elora and Fergus
- Digital Doors Open Guelph
- Digital Doors Open Halton Hills
- Digital Doors Open Hamilton
- Digital Doors Open Innisfil
- Digital Doors Open Kawartha Lakes
- Digital Doors Open Kingston
- Digital Doors Open Lincoln
- Digital Doors Open London
- Digital Doors Open Markham
- Digital Doors Open Mississauga
- Digital Doors Open Mississippi Mills
- Digital Doors Open Niagara Falls
- Digital Doors Open Niagara-on-the-Lake
- Digital Doors Open North Bay
- Digital Doors Open Northern Bruce Peninsula
- Digital Doors Open Oakville
- Digital Doors Open Oshawa
- Digital Doors Open Ottawa
- Digital Doors Open Oxford-Ingersoll
- Digital Doors Open Peterborough
- Digital Doors Open Prescott and Russell
- Digital Doors Open Quinte West
- Digital Doors Open Simcoe County
- Digital Doors Open St. Catharines
- Digital Doors Open Stratford
- Digital Doors Open Thunder Bay
- Digital Doors Open Timmins-Porcupine
- Digital Doors Open Toronto
- Digital Doors Open Trent Hills
- Digital Doors Open Vaughan
- Digital Doors Open Waterloo Region
- Digital Doors Open Whitby
- Digital Doors Open Whitchurch-Stouffville
- Digital Doors Open Windsor

Doris McCarthy Gallery – University of Toronto Scarborough	Ministry of Natural Resources and Forestry
Dresden Virtual History Group	Mississaugas of the Credit First Nation
Dresden Agricultural Society	Mississippi Valley Conservation Authority
Dry Stone Walling Association of Canada	Moose Cree First Nation
Elgin and Winter Garden Theatre Centre Volunteers	Moose River Heritage & Hospitality Association
Enoch Turner Schoolhouse Foundation	Multicultural History Society of Ontario
EVOQ Architecture	Municipality of Algonquin Highlands
Fleming College	Municipality of Chatham-Kent
Friends of Cole Shoal	Museum of Northern History
Friends of Fulford Place Association	Museum Windsor
Friends of the Macdonell-Williamson House/ Les Amis de la maison Macdonell-Williamson	National Historic Sites Alliance
Friends of Scotsdale Farm	National Trust for Canada
Ganaraska Region Conservation Authority	Niagara Escarpment Commission
Georgian Peaks Club	Niagara Parks Commission
Government of Canada (Parks Canada)	Norfolk Field Naturalists
Grand River Conservation Authority	Nottawasaga Valley Conservation Authority
Halton Peel Woodlands and Wildlife Stewardship	OCAD University
Hudson Point Residents Association	Ontario Black History Society
Huron-Wendat Nation	Ontario College of Pharmacists
Infrastructure Ontario	Ontario Creates
Josiah Henson Museum and Park (Maryland)	Ontario Cultural Attractions Fund
Kawartha Conservation	Ontario Heritage Planners Network
Kingston Field Naturalists	Ontario Land Trust Association
Lake of the Woods County Historical Society	Ontario Museums Association
Lake Simcoe Region Conservation Authority	Ontario Nature
Land Conservancy for Kingston, Frontenac, Lennox and Addington	Ontario Parks
Law Society of Ontario	Ontario Public Service Employees Union (cultural heritage easement property)
Les Amis Duff-Baby	Ontario Society of Artists
Lieutenant Governor of Ontario	Perth Seniors Fellowship
Lieutenant Governor's Ontario Heritage Awards jury panel	Perth & District Horticultural Society
Mennonite Archives of Ontario	Regional Municipality of Peel
Métis Nation of Ontario	Rideau Valley Conservation Authority
Ministry of Community Safety and Correctional Services	Saint Mary's Anglican Church (The Archives Committee), Richmond Hill
Ministry of Francophone Affairs	Saugeen Ojibway Nation
Ministry of Heritage, Sport, Tourism and Culture Industries	Sisters of the Jeanne d'Arc Institute
Ministry of Indigenous Affairs	Six Nations of the Grand River

Six Nations Polytechnic of Brantford
South Nation Conservation Authority
St. Lawrence Parks Commission
The School of Restoration Arts at Willowbank
The Writers' Union of Canada
Thunder Bay Field Naturalists
Tom Thomson Art Gallery
Toronto and Region Conservation Authority
Toronto Metropolitan University
Town of Aurora
Town of Kirkland Lake
Town of Lincoln
Town of Perth
United States National Park Service – Network to Freedom
University of Toronto
Upper Thames River Conservation Authority
Uptown Sudbury Community Action Network
WSP
York Region



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December 13, 2023

Management Responsibility for Financial Reporting

The accompanying financial statements of the Ontario Heritage Trust have been prepared in accordance with Canadian public sector accounting standards and are the responsibility of management. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been properly prepared within reasonable limits of materiality and in light of information available up to December 13, 2023.

Management maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded, and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. The Board of Directors reviews and approves the financial statements.

The financial statements have been audited by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The independent auditor's report, which appears on the following page, outlines the scope of the Auditor General's examination and opinion.


Wayne Kelly,
Interim Chief Executive
Officer


Paul Dempsey
Director, Corporate Businesses and
Services



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

INDEPENDENT AUDITOR'S REPORT

To the Ontario Heritage Trust

Opinion

I have audited the financial statements of the Ontario Heritage Trust (the "Trust"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in fund balances, remeasurement gains and losses, 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 Trust as at March 31, 2023, and the results of its operations, its remeasurement gains and losses 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 Trust 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 Trust'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 Trust either intends to cease operations, or has no realistic alternative but to do so.

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

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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 Trust’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust’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 Trust 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
December 13, 2023

Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

Ontario Heritage Trust
Statement of Financial Position
(In thousands of dollars)

As at March 31

	General Fund		Restricted Funds		Endowment Funds		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Assets	\$	\$	\$	\$	\$	\$	\$	\$
Current assets:								
Cash and cash equivalents (note 2(a))	2,783	30,261	13,632	4,504	-	-	16,415	34,765
Short-term investments (note 2(b))	-	-	2,381	1,070	-	-	2,381	1,070
Accounts receivable (note 6)	802	605	241	520	-	-	1,043	1,125
Prepaid expenses and inventories	59	36	-	2	-	-	59	38
Total current assets	3,644	30,902	16,254	6,096	-	-	19,898	36,998
Long-term investments (note 2(c))	-	-	47,825	33,209	11,292	11,741	59,117	44,950
Capital assets (note 4)	215	237	158	183	-	-	373	420
	3,859	31,139	64,237	39,488	11,292	11,741	79,388	82,368
Liabilities and Fund Balances								
Current liabilities:								
Accounts payable and accrued liabilities (note 6)	1,945	1,746	299	316	-	-	2,244	2,062
Deposits and deferred revenue	493	304	-	-	-	-	493	304
Employee future benefits (note 5)	320	129	-	-	-	-	320	129
Total current liabilities	2,758	2,179	299	316	-	-	3,057	2,495
Employee future benefits (note 5)	268	510	-	-	-	-	268	510
Total liabilities	3,026	2,689	299	316	-	-	3,325	3,005
Fund balances:								
Externally restricted (note 3)	-	-	36,279	35,448	9,311	9,311	45,590	44,759
Internally restricted	-	-	30,383	4,370	1,815	1,811	32,198	6,181
Legislated reserve	-	-	-	-	750	750	750	750
Unrestricted	911	28,470	-	-	-	-	911	28,470
	911	28,470	66,662	39,818	11,876	11,872	79,449	80,160
Accumulated remeasurement gains (losses)	(78)	(20)	(2,724)	(646)	(584)	(131)	(3,386)	(797)
Total fund balances	833	28,450	63,938	39,172	11,292	11,741	76,063	79,363
	3,859	31,139	64,237	39,488	11,292	11,741	79,388	82,368

Chairman

Treasurer

Ontario Heritage Trust
Statement of Operations
(in thousands of dollars)

For the year ended March 31

Revenue

Grants	
Ministry of Tourism, Culture and Sport	
Operating	
Capital	
Special	
Other (note 6)	
Rental and license fees	
Investment income (note 8)	
Fundraising and corporate sponsorships	
Cash	
Other income	

Expenses (note 9)

Trust properties and collections	
Business centres' operations	
Heritage programs, activities and special events	
Administration	

Excess (deficiency) of operating revenue over expenses excluding proceeds from transfer of heritage property

Proceeds from transfer of heritage property (note 7)

Excess (deficiency) of revenue over expenses for the year

See accompanying notes

Ontario Heritage Trust
Statement of changes in fund balances
(in thousands of dollars)

For the year ended March 31

Balance, beginning of year

Excess (deficiency) of revenue over expenses for the year
Inter-fund transfers (note 11)

Accumulated remeasurement gains (losses)

Balance, end of year

Externally restricted for endowment	2023					Total
	Externally restricted for endowment	Internally restricted for endowment	Legislated reserve endowment	Externally restricted	Internally restricted	
\$	\$	\$	\$	\$	\$	\$
9,311	1,811	750	35,448	4,370	28,470	80,160
—	—	—	833	(438)	(1,106)	(711)
—	4	—	(2)	26,451	(26,453)	—
9,311	1,815	750	36,279	30,383	911	79,449
(594)	—	—	(1,386)	(1,338)	(78)	(3,386)
8,727	1,815	750	34,893	29,045	833	76,063

Balance, beginning of year

Excess (deficiency) of revenue over expenses for the year
Inter-fund transfers (note 11)

Accumulated remeasurement gains (losses)

Balance, end of year

See accompanying notes

Externally restricted for endowment	2022					Total
	Externally restricted for endowment	Internally restricted for endowment	Legislated reserve endowment	Externally restricted	Internally restricted	
\$	\$	\$	\$	\$	\$	\$
9,311	1,809	750	10,549	4,662	240	27,321
—	—	—	24,899	(292)	28,232	52,839
—	2	—	—	—	(2)	—
9,311	1,811	750	35,448	4,370	28,470	80,160
(131)	—	—	(593)	(53)	(20)	(797)
9,180	1,811	750	34,855	4,317	28,450	79,363

Ontario Heritage Trust
Statement of remeasurement gains and losses
(in thousands of dollars)

For the year ended March 31

	2023	2022
	\$	\$
Accumulated remeasurement gains (losses), beginning of year	(797)	532
Unrealized gains (losses) attributed to:		
Portfolio investments	(2,891)	(1,351)
Realized amounts reclassified to the statement of operations:		
Portfolio investments	302	22
Net remeasurement change for the year	(2,589)	(1,329)
Accumulated remeasurement gains (losses), end of year	(3,386)	(797)

See accompanying notes

Ontario Heritage Trust
Statement of cash flows
(in thousands of dollars)
For the year ended March 31

	2023	2022
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	(711)	52,839
Add items not involving cash		
Amortization of capital assets	139	125
Realized loss on sale of investments	302	22
Changes in non-cash working capital balances related to operations:		
Accounts receivable	82	1,715
Prepaid expenses and inventories	(21)	80
Accounts payable and accrued liabilities	182	29
Deposits and deferred revenue	189	190
Increase (decrease) in employee future benefits	(51)	69
Cash provided by operating activities	111	55,069
Capital activity		
Purchase of capital assets	(92)	(202)
Cash used in capital activity	(92)	(202)
Investing activities		
Proceeds from investments	134,260	99,280
Purchase of investments	(152,629)	(126,494)
Cash used in investing activities	(18,369)	(27,214)
Net change in cash during the year	(18,350)	27,653
Cash and cash equivalents, beginning of year	34,765	7,112
Cash and cash equivalents, end of year	16,415	34,765
Cash and cash equivalents are represented by:		
Cash	2,305	3,679
Cash equivalents	14,110	31,086
	16,415	34,765

See accompanying notes

Ontario Heritage Trust
Notes to financial statements
(in thousands of dollars)

March 31, 2023

Purpose of Organization

Ontario Heritage Trust [the “Trust”], established by the *Ontario Heritage Act*, R.S.O. 1990 as an agent of Her Majesty in Right of Ontario, is committed to preserving, protecting, and promoting Ontario’s heritage by accepting, holding in trust, and caring for gifts of provincially significant heritage properties and articles of historical, architectural, archaeological, recreational, aesthetic, natural and scenic interest. It provides technical expertise and financial support to individuals, organizations and public bodies involved in heritage preservation, and undertakes research, public education, and other initiatives. The Trust is a not-for-profit provincial agency operating under the Ministry of Citizenship and Multiculturalism (previously the Ministry of Tourism, Culture and Sport and is exempt from income taxes on its real property, business and income and can issue official donation receipts to donors.

1. Summary of significant accounting policies

Basis of presentation

The financial statements have been prepared by management in accordance with *Canadian Public Sector Accounting Standards, including the 4200 series of standards* for government not-for-profit organizations. The significant accounting policies are summarized below.

Fund accounting

Resources are classified for accounting and reporting purposes into funds that are held in accordance with their specified purpose or in accordance with directives issued by the Board of Directors. Transfers between funds are made when approved by the Board of Directors, except for the Externally Restricted Funds, which require donor approval. For financial reporting purposes, there are three groups of funds:

General Fund

The General Fund includes all day-to-day transactions of the Trust and may disburse, expend, or otherwise deal with any part of its General Fund for the purpose of any of the objects of the Trust and to defray any expenses incurred in carrying out its objectives.

Restricted Funds

Restricted Funds consist of:

[a] Externally Restricted Funds

- ▣ Amounts received from the Province of Ontario [the “Province”], the federal government and non-profit organizations to finance specific projects;
- ▣ Contributions received from individuals and corporations with restrictions on use in accordance with the terms as specified by the contributors; and

[b] Internally Restricted Funds

Amounts set aside by the Board of Directors to finance specific projects within the mandate of the Trust.

Ontario Heritage Trust
Notes to financial statements
(in thousands of dollars)

March 31, 2023

Endowment Funds

The Endowment Funds report non-expendable resources held in trust and amounts set aside by the Board of Directors to be maintained as endowments. In addition, a reserve fund is established under Section 13 of the *Ontario Heritage Act*, where the Trust shall not expend any of the capital of the reserve fund without the consent of the Lieutenant Governor in Council.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, money market mutual funds and term deposits with maturities of up to 90 days from the date of acquisition.

Investments

Short-term investments consist of term deposits, bonds, and other fixed income instruments, maturing within 12 months and with durations of greater than 90 days from the date of acquisition. Long-term investments consist of similar investments with maturities greater than 12 months, and investments with no maturity date where management’s intention is to hold the investment for more than 12 months beyond the fiscal year-end.

Capital assets

Purchased capital assets, comprising computer equipment and software, office equipment and furniture and fixtures, are stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over the assets’ estimated useful lives of three to five years.

- Computer Equipment - Three years
- Computer Software - Three years
- Office equipment, furniture and fixtures - Five years

Properties and articles of a cultural and natural heritage nature

Purchased properties and articles of a cultural and natural heritage nature are expensed at cost, while those donated are recorded as revenue and expenses at their fair value at the date of contribution. Expenditures for restoration on owned properties are expensed as incurred.

Properties, such as land, buildings and articles owned by the Trust [note 7], are classified as part of cultural and natural heritage collections held in trust and, as such, are exempt from being included as capital assets and are not subject to amortization.

Employee future benefits

The multi-employer defined benefit plans are accounted for as a defined contribution plan, as there is not sufficient information to apply defined benefit plan accounting. Contributions to multi-employer defined benefit pension plans are expensed on an accrual basis.

Other employee future benefits include post-employment benefits payable on termination that are provided to certain employees and are accrued as the employees render the service necessary to earn these future benefits.

Revenue recognition

The Trust follows the restricted fund method of accounting for contributions.

Contributions related to general operations are recognized as revenue of the General Fund in the year received or receivable. Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue

Ontario Heritage Trust
Notes to financial statements
 (in thousands of dollars)

March 31, 2023

of the appropriate Restricted Funds when received or receivable. Contributions for endowment are recognized as revenue in the Endowment Funds when received or receivable. Contributions are recognized in the respective funds if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income consists of interest, dividends, and realized gains and losses, and is recognized when earned. Investment income subject to restrictions stipulating that it be added to the principal amount of the Endowment Funds is reported as revenue of the Endowment Funds. Other investment income earned on resources of the Endowment Funds is reported in the General Fund or Restricted Funds depending on the nature of any restrictions imposed by contributors of funds for endowment. Where grantors or contributors do not specify the treatment of investment income earned on funds provided, the income is recognized as revenue of the General Fund.

Rental and license fees income is recognized as revenue when the service is delivered, and collection is reasonably assured.

Contributed gifts-in-kind

The work of the Trust is supported by other gifts-in-kind donations in addition to those referred to in Note 1, *Properties and articles of a cultural and natural heritage nature*. The donated items are recorded at fair value as revenue and expenses at the date of contribution when fair value is reasonably determinable.

Contributed services

A number of volunteers contribute a significant amount of time each year to assist in carrying out the Trust’s service delivery activities. In addition, the Trust derives benefit from contributed in-kind services as a result of various arrangements with individuals, corporate and community partners. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Financial instruments

Investments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are recorded at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Investments recorded at fair value are remeasured at the end of each reporting period. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until the asset is sold or matures, at which time the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

All investment transactions are recorded on a trade date basis. Transaction costs incurred on the acquisition of financial instruments are expensed as incurred.

Other financial instruments, including accounts receivable and accounts payable and accrued liabilities, are initially recorded at their fair value and subsequently measured at cost, net of any provisions for impairment.

Financial assets, with the exception of those recorded at fair market value, are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported.

Ontario Heritage Trust
Notes to financial statements
 (in thousands of dollars)

March 31, 2023

in the statement of operations and any unrealized loss is adjusted through the statement of remeasurement gains and losses.

Unless otherwise noted, it is management’s opinion that the Trust is not exposed to significant credit risk, liquidity risk and interest rate risk arising from financial instruments.

Fair value measurements are classified using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – observable or corroborated inputs, other than Level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for the full term of the assets or liabilities; and
- Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

The fair value measurement for all investments held by the Trust is categorized as Level 1.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing rates of exchange at the Statement of Financial Position date. Revenues and expenses are translated at the rates of exchange in effect at the transaction date. Realized and unrealized gains and losses are included in the determination of excess (deficiency) of revenue over expenses.

Effective April 1, 2021, the Trust made an irrevocable election to recognize any unrealized exchange gains and losses arising from all financial assets or liabilities directly in the Statement of Operations.

Allocation of expenses

The Trust owns and operates trust properties and collections, delivers heritage programs and events and manages business centres’ activities. The costs of each of these functional areas include salary and benefits, supplies and other expenses that are directly related to providing the programs. The Trust also incurs general support expenses that are common to the administration of these programs.

Executive office and corporate services unit salaries and benefits are allocated to trust property operations, heritage program delivery and business centre management based on time spent on each of the functional areas. General support expenses incurred are assigned proportionately to the function to which it directly applies.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include amortization expense, accrued liabilities and employee future benefits. Actual results could differ from management’s best estimates as additional information becomes available in the future.

Ontario Heritage Trust
Notes to financial statements
 (in thousands of dollars)

March 31, 2023

2. Investments

[a] Cash and cash equivalents consist of the following:

	2023		2022	
	Cost	Fair value	Cost	Fair value
	\$	\$	\$	\$
Canadian cash	2,305	2,305	3,679	3,679
Canadian money market funds	14,068	14,110	31,086	31,086
	16,373	16,415	34,765	34,765

The rate of return from cash and cash equivalents ranges from 4.05% to 4.91% [2022 - 0.60% to 0.81%].

[b] Short-term investments consist of the following:

	2023		2022	
	Cost	Fair value	Cost	Fair value
	\$	\$	\$	\$
Fixed income securities				
Canadian	2,388	2,381	1,087	1,070

The rate of interest on short-term investments ranges from 1.30% to 4.45% [2022 - 0.71% to 8.90%].

Ontario Heritage Trust
Notes to financial statements
 (in thousands of dollars)

March 31, 2023

[c] Long-term investments consist of the following:

	2023		2022	
	Cost	Fair value	Cost	Fair value
	\$	\$	\$	\$
Fixed income securities				
Canadian	8,352	7,978	5,245	4,976
Global	929	884	1,365	1,358
Pooled fixed income funds				
Canadian	31,595	29,072	25,702	24,970
Global	5,113	4,791	4,863	4,742
Pooled equity funds				
Canadian	6,553	6,524	3,652	3,943
Global	7,650	7,623	4,903	4,961
Pooled income funds				
Canadian	1,381	1,335	-	-
Global	901	910	-	-
	62,474	59,117	45,730	44,950

The maturity dates for long-term fixed income investments range from May 2024 to May 2077 (2022 – April 2023 to May 2077) and the rate of interest ranges from 1.42% to 7.00% (2022 – 1.30% to 7.00%).

3. External Restrictions on Restricted Fund Balances

Major categories of externally imposed restrictions on restricted funds' balances are, as follows:

	2023	2022
	\$	\$
Capital Projects	505	1,356
Heritage Property Acquisitions	18,954	18,197
Programming	16,820	15,895
	36,279	35,448

Ontario Heritage Trust
Notes to financial statements
(in thousands of dollars)

March 31, 2023

4. Capital assets

	2023		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer equipment and software	401	212	189
Office equipment and furniture and fixtures	301	117	184
	702	329	373
	2022		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer equipment and software	381	161	220
Office equipment and furniture and fixtures	363	163	200
	744	324	420

In the current year, included in General Fund and Restricted Fund expenses is amortization expenses of \$84 and \$55 [2022 – \$75 and \$50], respectively. In addition, fully amortized office equipment and furniture and fixture assets with a total cost of \$134 [2022 – \$81] were no longer in use and were written off.

5. Employee future benefits

Pension benefits

The Trust’s regular employees participate in the Public Service Pension Fund [“PSPF”] or the Ontario Public Service Employees’ Union Pension Fund [“OPSEU-PF”], which are defined benefit pension plans for employees of the Province and many provincial agencies. The Province, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU-PF, determines the Trust’s annual payments to the funds. Since the Trust is not a sponsor of these funds, gains and losses arising from statutory actuarial funding valuations are not assets or obligations of the Trust, as the sponsors are responsible for ensuring that the pension funds are financially viable. The Trust’s annual payments of \$408 [2022 – \$397] are included in the expenses of the General and Restricted Funds in the statement of operations.

Non-pension benefits

The obligations for severance and time banking entitlements earned by eligible employees are included in Employee Future Benefits in the Statement of Financial Position. These entitlements were calculated using a discount rate of 3.44% (2022 – 3.04%) and expected average remaining service life of 7 years (2022 – 9 years). Due to the curtailment of the plan in 2015, no assumption of salary escalation is used. For the year ended March 31, 2023, changes in assumptions resulted in expenses of \$17 [2022 – \$68], which are recorded in the Statement of Operations.

Ontario Heritage Trust
Notes to financial statements
(in thousands of dollars)

March 31, 2023

6. Related party transactions

As an agency of the province, the Trust is required to procure mandatory Central Common Services from other designated government ministries and/or agencies. The Trust receives payroll, workforce information network, employee benefit plan administration, recruitment advertising, legal, telecommunications, bulk mailing, insurance and risk management services from the Province.

In addition, the Trust delivers heritage programs, activities, and special events in partnership with other provincial government ministries and/or agencies and secures funding through granting programs administered by the provincial government ministries and/or agencies. Grants from related parties, other than the Ministry of Tourism, Culture and Sport reported in the Statement of Operations and included in revenue as Grants - Other are, as follows:

	2023	2022
	\$	\$
Ontario Tourism Marketing Partnership Corporation	150	150
Ministry of Indigenous Affairs	35	35
Ontario Cultural Attractions Fund	-	65

Note 7 includes related party transactions pertaining to the proceeds from the transfer of heritage property.

Amounts receivable from and payable to the Province and outstanding at each year-end are, as follows:

	2023	2022
	\$	\$
Receivable from the Province	240	278
Payable to the Province	224	288

7. Properties and articles of a cultural and natural heritage nature

At year-end, the Trust’s portfolio of owned properties included 192 properties owned by the Trust (26 cultural and 166 natural heritage properties) and represents 102 buildings. Close to 1,000,000 archaeological artifacts have been recovered from Trust properties and are part of the Trust’s collection. In addition, the Trust is responsible for the protection and care of over 25,000 cultural artifacts directly associated with Trust-owned properties. The Trust holds conservation easements on 196 cultural heritage and 69 natural heritage properties in 113 municipalities across the province. Since 1956, the Trust has erected over 1,289 provincial plaques commemorating significant people, places and events.

Proceeds from transfer of heritage property

In fiscal 2021-22, the Trust entered into an agreement to transfer a heritage property, located in Toronto, Ontario to Metrolinx (a related party) for proceeds of \$54,992, of which \$30,992 was recorded in the General Fund and \$24,000 was recorded in Restricted Funds in the Statement of Operations.

Ontario Heritage Trust
Notes to financial statements
 (in thousands of dollars)

March 31, 2023

8. Investment income

Interest income includes income earned on resources held for endowment and other investments, which is reported in the following funds:

	<u>General Fund</u>		<u>Restricted Funds</u>		<u>Endowment Funds</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Interest income earned on						
Endowment Fund resources	76	60	548	427	-	-
Other investments	<u>1,208</u>	<u>354</u>	<u>1,093</u>	<u>332</u>	<u>-</u>	<u>-</u>
	<u>1,284</u>	<u>414</u>	<u>1,641</u>	<u>759</u>	<u>-</u>	<u>-</u>

9. Allocation of expenses

[a] General support expenses for the executive office and corporate services of \$296 [2022 – \$363] have been allocated to other programs as follows:

	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
Trust properties and collections	70	77
Heritage programs, activities, and special events	101	110
Business Centre's operations	55	71
Administration	70	105
	<u>296</u>	<u>363</u>

[b] Salary and benefit costs of \$1,818 [2022 – \$1,605] for the executive office and corporate services have been allocated to other programs as follows:

	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
Trust properties and collections	220	227
Heritage programs, activities, and special events	740	438
Business Centre's operations	327	275
Administration	531	665
	<u>1,818</u>	<u>1,605</u>

Ontario Heritage Trust
Notes to financial statements
 (in thousands of dollars)

March 31, 2023

10. Endowment funds

Endowment funds consist of amounts subject to restrictions imposed by contributors, legislation, and the Trust's Board of Directors.

For endowed funds externally restricted by contributors, investment income earned is recorded in the Restricted Funds unless directed by the contributor to be maintained in the Endowment Funds. For other endowed funds, investment income is recorded in the General Fund in the statement of operations.

During the year, \$625 [2022 - \$487] of investment income was earned on Endowment Funds, of which \$Nil [2022 - \$Nil] was directed by the contributor to be recorded as investment income in the Endowment Funds. \$548 [2022 - \$427] of investment income is subject to restrictions imposed by contributors and was recorded in Restricted Funds. The remaining Endowment Funds investment income of \$75 [2022 - \$60] was recorded as revenue in the General Fund.

11. Inter-fund transfers

Unrestricted contributions recognized initially in the General Fund and set aside from time to time by the Board of Directors' resolutions are allocated as required to address various approved internal priorities or contingencies. These transfers are reported as inter-fund transfers between the General Fund and Internally Restricted Funds. The Board of Directors approved inter-fund transfers of \$26,451 [2022 – \$2] from the General Fund to the Internally Restricted Funds.

12. Credit facility

The Trust has a Line of Credit for \$250 established at Prime+0.25% per annum. As at March 31, 2023 and 2022, the Trust had not utilized nor have any borrowings outstanding under this facility.

13. Commitments

At March 31, 2023, the Trust had no commitments under Restricted Funds [2022 – \$85] for matching grants expenditures directed to communities, including eligible non-profit organizations and municipalities, to preserve, restore and maintain their heritage properties.

The various grant agreements contain requirements for specific milestones to be achieved by the grantee before grants will be issued. As such, no liability has been set up for these commitments as at March 31, 2023.

Ontario Heritage Trust
Notes to financial statements
(in thousands of dollars)

March 31, 2023

14. Financial instruments

Credit risk

Credit risk arises when one party to a financial instrument may cause a financial loss for the other party by failing to discharge an obligation. The Trust is exposed to credit risk in connection with its accounts receivable and investments. As at March 31, 2023, 71% [2022 – 57%] of the accounts receivable balance is due from the governments of Canada, Ontario, other provinces and municipalities. In addition, 8% [2022 – 28%] of the accounts receivable balance is due from clients who have leased Trust property and is considered fully collectible. Investments held by the Trust are professionally managed and are limited to those with investment- grade credit ratings from at least one recognized international rating agency.

Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting obligations associated with its financial liabilities. The Trust receives a significant portion of its operating revenue from the provincial government. To manage liquidity risk, the Trust keeps sufficient resources readily available to meet its obligations. Almost all the Trust's accounts payable and accrued liabilities are due within 90 days.

Market risk

Market risk arises when the fair value of an investment portfolio fluctuates as a result of changes in underlying market factors. The Trust's investment portfolio is exposed to interest rate risk and other price risk. The Trust's diversified portfolio investment consists of pooled income funds, equity funds and fixed income fund holdings. Potential market risks are managed through established investment policy parameters, which prescribe a conservative asset mix of investments, limit concentration levels in types of securities, and set acceptable bond ratings. The Trust engages professional investment managers to advise and invest funds in individual securities and pooled funds, within a suitable asset mix in accordance with the approved investment policy, to achieve an appropriate balance between risks and returns. The investments are diversified to minimize the risk of loss resulting from over-concentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies are established and periodically reviewed. The Finance and Investment Committee of the Board of Directors of the Trust meets periodically with the managers to review performance and compliance to satisfactory risk levels.

The Trust's investment in fixed income fund holdings is sensitive to interest rate movements. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa. The relationship between bond duration and interest rates is not linear as other factors, such as credit rating or liquidity, also impact bond prices. A 1% change to interest rate levels could potentially translate to a 5.10% [2022 – 5.7%] change in bond prices.

The magnitude of the decline will generally be greater for long-term debt securities than short-term debt securities. A 1% change in interest rates, with all other variables held constant, would result in a change in the fair value of fixed income fund holdings of \$592 [2022 – \$3,200] as at March 31, 2023.

The Trust's investment in pooled income and equity fund holdings is sensitive to changes in market prices of the underlying instrument. A 10% change in market prices, with all other variables held constant, would result in a change in the fair value of pooled income and equity fund holdings of \$1,640 [2022 – \$890] as at March 31, 2023.

15. Contingent Liability

Protecting a Sustainable Public Sector for Future Generations Act, 2019 which capped public sector wages at one per cent per year for a three-year term, was struck down as unconstitutional by the Ontario Supreme court in November 2022. The Ontario Government appealed this decision in December 2022, and the process is ongoing. The resulting outcome may have a financial impact on the compensation of the Trust's employees. However, the extent cannot be reasonably estimated at this time.

Ontario Heritage Trust
Notes to financial statements
(in thousands of dollars)

March 31, 2023

16. Comparative figures

Prior year's figures have been reclassified where necessary to confirm to the current year's financial statement presentation.