



THE
NIAGARA PARKS COMMISSION

ANNUAL REPORT

APRIL 1, 2016 TO
MARCH 31, 2017

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OUR ROLE & MISSION

Niagara is a region steeped in history and blessed by geography. As steward of one of the world's greatest natural wonders, The Niagara Parks Commission plays a key role in maintaining, protecting and showcasing the grandeur of the Falls, as well as the whole Niagara River corridor, while contributing to the economic growth and success of the Niagara region and Ontario.

As a self-funded agency of the provincial government, Niagara Parks is responsible for the maintenance of 1,325 hectares of parkland, stretching some 56 kilometres along the Niagara River corridor from Lake Erie to Lake Ontario.

Our mandate remains the same as it was when the Commission was first established in 1885:

TO PRESERVE AND ENHANCE THE NATURAL BEAUTY OF
THE FALLS AND THE NIAGARA RIVER CORRIDOR FOR THE
ENJOYMENT OF VISITORS WHILE MAINTAINING FINANCIAL
SELF-SUFFICIENCY.



THE COMMISSIONERS



Janice Thomson,
Chair
Appointed Nov. 16, 2011
Term expires Nov. 15, 2018



Joan Andrew,
Vice Chair
Appointed Dec. 5, 2012
Term expires Jun. 2, 2018



Pat Darte, *Commissioner*
(Town of Niagara-on-the-Lake
nominee)
Appointed Feb. 25, 2015
Term expires Nov. 30, 2017



James Detenbeck,
Commissioner
Appointed Aug. 1, 2012
Term expires Sep. 15, 2018



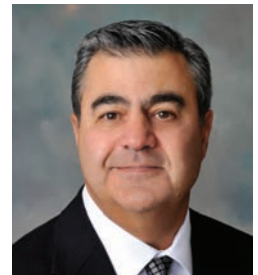
Jim Diodati, *Commissioner*
(Regional Municipality of
Niagara nominee)
Appointed Feb. 25, 2015
Term expires Nov. 30, 2017



Lois Anne Giles,
Commissioner
Appointed Jun. 20, 2012
Term expires Jul. 19, 2019



Michael Goodale,
Commissioner
Appointed Feb. 12, 2014
Term expires Feb. 11, 2017



Vincent Kerrio, *Commissioner*
(City of Niagara Falls nominee)
Appointed Apr. 18, 2007
Term expires Nov. 30, 2017



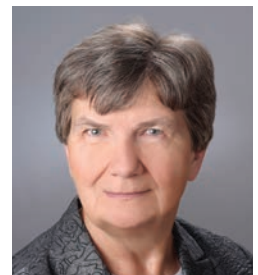
Ian Nielsen-Jones,
Commissioner
Appointed Jun 20, 2012
Term expires Nov. 1, 2019



Kerry Pond,
Commissioner
Appointed Mar. 1, 2012
Term expires Sep. 15, 2018



Wayne Redekop, *Commissioner*
(Town of Fort Erie nominee)
Appointed Feb. 25, 2015
Term expires Nov. 30, 2017



Virginia West,
Commissioner
Appointed Nov. 29, 2010
Term expired Nov. 30, 2016

A MESSAGE FROM THE CHAIR

The Niagara Parks Commission entered the 2016/17 fiscal year looking to build on the positive momentum and growth generated by a tourism renaissance experienced in both the Ontario and Niagara travel industries during the 2015/16 fiscal year.

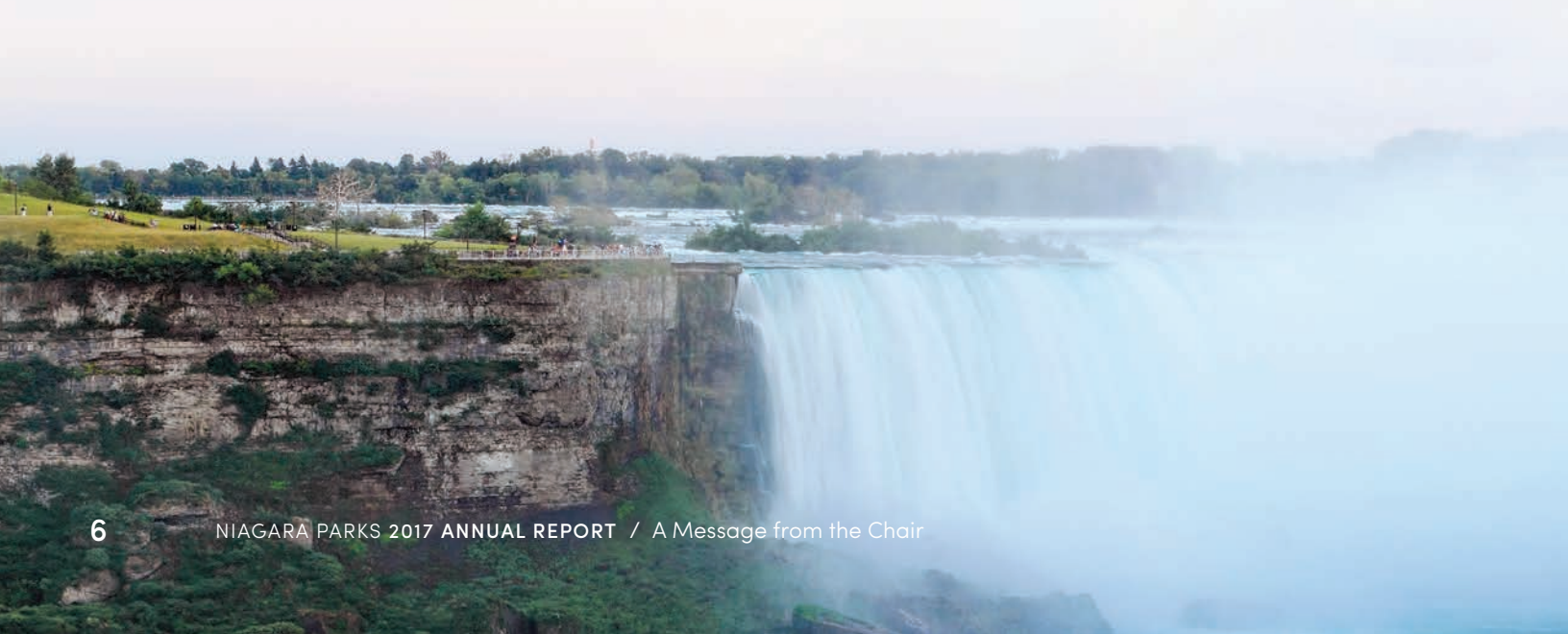
Strategic investments in new attraction development, infrastructure renewal and a celebration of Niagara Parks' rich and unique history, were all expected to play a significant role in helping to generate a renewed sense of excitement and interest in Niagara and Niagara Parks during 2016/2017.

The year started off brilliantly, as Niagara Parks and its stakeholders on the Niagara Falls Illumination Board collaborated to develop and implement their vision to improve the overall illumination of both the American and Canadian Horseshoe Falls. It had been almost 20 years since the last major investment in lighting infrastructure was made and the recent success of high profile events such as the Nik Wallenda high wire walk and Red Bull Crashed Ice event, had proven the tremendous potential enhanced lighting could provide to the visitor experience at the Falls.

Through active engagement on both sides of the border regarding the benefits of new LED lighting technology, the Illumination Board was able to gain the support necessary, including obtaining over \$350,000 in financial support from Niagara Parks, to implement its \$4 million revitalization project and vision of what the nightly illumination of Niagara Falls could be.

Providing more than twice the prior lighting levels of the Falls, the newly enhanced illumination of Niagara Falls was unveiled to the public on December 1, 2016, garnering positive media attention throughout North America, including coverage on the CBS evening news. Media interest and coverage of the Illumination Board's plans helped generated over \$12 million in earned media value for the Board, but more importantly for the bi-national destination of Niagara, it drew both new and repeat visitation to the region.

Promotional efforts and the opening of NPC's newest attraction, WildPlay MistRider Zipline to the Falls, also served as a tremendous catalyst in highlighting Niagara Parks as a destination worth visiting. On Wednesday, July 20, 2016, the grounds of Queen Victoria Park served as the site for the exciting opening of Niagara Parks' newest tourism experience, the first new Niagara Parks outdoor attraction since the introduction of the Spanish Aero Car (now known as the Whirlpool Aero Car), one hundred years ago. Designed to enhance the overall attraction offerings within Niagara Parks, WildPlay's MistRider Zipline to the Falls consists of four parallel lines that take guests on a 670-metre (2,200 foot) scenic ride from Niagara Parks Grand View Marketplace to the historic Ontario Power Company building located within the Niagara Gorge.



While offering new ways to interpret the Falls and the Niagara Gorge, the attraction also allowed for infrastructure enhancements to be realized at Niagara Parks' Grand View Marketplace. For example, a new elevator was installed, providing access to not only the launch area of the Zipline, but to an existing viewing platform as well, which was previously inaccessible to persons with disabilities. This enhancement now allows all visitors to enjoy breathtaking views from this vantage point.

Between July and September of 2016, the attraction's opening helped achieve exceptional positive media attention for Niagara Parks, resulting in over 960 articles and mentions viewed and reported on, world-wide. According to NPC's media monitoring service, this renewed focus on Niagara helped generate over \$15.3 million in earned media advertising value for Niagara Parks and the WildPlay Niagara Falls attraction.

The strong favourable response to WildPlay MistRider Zipline to the Falls was matched by the continued success and visitation experienced by Hornblower Niagara Cruises, which in only its third year of operation, set an attendance record of over 2.25 million passengers during the 2016 calendar year.

The Commission entered 2016/17 ready to celebrate some significant milestones, including the centennial anniversary of its Whirlpool Aero Car attraction. Since it began operating in 1916, the Whirlpool Aero Car has carried millions of visitors safely

over the Niagara River, offering unparalleled views of both the Whirlpool Rapids and Niagara Gorge.

The continued operation of the Whirlpool Aero Car is a living testament to the brilliance and foresight of its original Spanish designer, Leonardo Torres Quevedo. As part of the overall celebrations, Niagara Parks was pleased to host a 100th anniversary ceremony and plaque unveiling on August 8, 2016, attended by his Excellency, H.E. Carlos Gómez-Múgica Sanz, the Spanish Ambassador to Canada, along with 27 members of the Torres Quevedo family, including the designer's great grandson, Carlos Torres Quevedo.

Niagara Parks leveraged the importance of the Whirlpool Aero Car through a series of summer promotional events and programming activities to commemorate this special milestone. For example, Niagara Parks' Culinary Arts Team featured Spanish-inspired menu items and an Aero Car Ale from Niagara College Teaching Brewery, which was served at its Elements on the Falls and Queen Victoria Place Restaurants. Niagara Parks retail operations offered Aero Car themed souvenirs, while the Commission's marketing team added Aero Car stories to NPC's social media channels to promote this commemorative event world-wide. Infrastructure improvements were also realized, as NPC's engineering unit facilitated capital improvements to the attraction, including work on the Aero Car itself, renovated public washrooms and a new covered dining area.





An important preservation initiative was also undertaken by Niagara Parks at Oakes Garden Theatre in 2016/2017, which will allow the Commission to properly recognize and highlight the importance of this architectural and landscape treasure, which will be marking its 80th anniversary in September of 2017. With matching funds provided by the federal government's Canada 150 Community Infrastructure Program, new accessible entrances and pathways were constructed to enhance the public facility and to undertake restorative work on the theatre's pergola wall.

Following completion of work on the pergola wall, Niagara Parks engineering staff rehabilitated the Theatre's perimeter stone retaining wall, which faces out along the Niagara Parkway. With a \$170,000 contribution provided by the Province of Ontario, as well as Niagara Parks' own investment of \$936,434 and the federal government funding (\$550,000), over \$1.65 million was dedicated to the rehabilitation of this important heritage gateway within Queen Victoria Park.

With Canada's sesquicentennial approaching, Niagara Parks was pleased to undertake this work, as the theatre and its associated gardens are outstanding examples of design and architecture created to specifically act as a dramatic gateway into Canada, while showcasing Canadian art, architecture and craftsmanship to enhance the visitor experience within the Niagara Parks system.

In terms of the advanced planning needed for the celebration of Canada's upcoming 150th anniversary, the Commission was delighted to learn that it had received provincial funding in the amount of \$563,000 from the Ontario150 Funding Program to host a series of themed events, activities and programming to engage Ontarians in honouring the 150th anniversary of confederation and the founding of Ontario. Five specific initiatives, all based on a central theme of Rooted, are to be created to allow the Commission to expand its offerings and programming, by

highlighting the natural and cultural significance of the lands NPC is entrusted to protect.

Building on this, the Canadian Garden Council through a generous donation from Vesey's Bulbs of Prince Edward Island, provided Niagara Parks with a gift of 30,000 tulip bulbs to establish a Canada 150th Celebration Garden Promenade, within Queen Victoria Park. On Friday, October 21, representatives from Niagara Parks, The Canadian Garden Council and Vesey's Bulbs took part in a ceremonial planting of red and white tulip bulbs along the promenade overlooking the American Falls in front of the Niagara Parks Police Administrative Building. Niagara Parks' Queen Victoria Park was selected by the Canadian Garden Council as a flagship location for this initiative, as it is one of Canada's most significant gateways and iconic destinations for visitors.

As home to the largest concentration of War of 1812 sites and battlefields anywhere in Canada, Niagara Parks takes great pride in managing these national heritage sites and in helping Canadians and international visitors better understand the rich history of this country and the important contributions the residents, soldiers and warriors of this region made to the development of Canada. It is in this light that on Sunday October 2, Niagara Parks was pleased to take part in the official unveiling of the Landscape of Nations War of 1812 Memorial, which was placed on the historic grounds of Queenston Heights Park.

Given the significant involvement of Niagara Parks in the preservation of several War of 1812 sites within the region, the Commission was pleased to be involved in this project from the very start, with the goal of honouring and formally recognizing the contributions of The Six Nations and their Indigenous allies during the War of 1812. The memorial is an important heritage destination asset for Niagara Parks and is intended to serve as an educational beacon illuminating the critically important contributions Indigenous people made to Canada during its formative years.

Niagara Parks takes great pride in the fact that its improved financial performance during the 2016/17 fiscal year, generating in excess of \$109 million in revenue, combined with the continued growth in visitation to Niagara Parks' attractions, heritage sites and golf courses of over 1.9 million visitors, allowed it to increase its investments in its facilities and infrastructure.

For example, in the 2017/18 fiscal year, Niagara Parks allocated over \$12 million toward its capital works projects, with \$8.3 million generated directly from its own revenue producing operations. Five years earlier, Niagara Parks comparatively invested only \$2 million in capital improvements during the 2011/12 fiscal year, as challenges brought about by poor weather conditions, the late opening of the boat tour operations and a strong Canadian dollar impacted the number of visitors to the destination that year.

With additional dollars to allocate for deferred maintenance, Niagara Parks was pleased to tackle several infrastructure projects, including an investment of over \$175,000 for repairs on six sections of the Fort Erie Breakwall and an investment of over \$500,000 for the replacement of the aging heating and cooling system at Niagara Parks' Butterfly Conservatory. Increased maintenance, operational costs and reliability were factors in the decision.

As well, additional resources allowed Niagara Parks to invest in new projects, including a partnership with the Town of Fort Erie, to secure a matching grant of \$250,000 from the provincial government to improve a scenic, three-kilometre-long section of the popular Niagara River Recreation Trail in the Town.

Niagara Parks' Niagara River Recreation Trail is an important cycling route, forming part of the Greater Niagara Circle Route, the Trans Canada Trail network, the Waterfront Trail and the 475-kilometre Greenbelt Route. The planned improvements to the trail will include the creation of a new off-road path for walking and cycling and a signed bicycle route on a shared portion of the roadway in the Town of Fort Erie. Niagara Parks' contribution toward the \$500,000 project is \$150,000.

Niagara Parks also continues to move forward with its plans to enhance and improve the overall operations of its Niagara Parks Marina at Miller's Creek. NPC's continued vision for the marina and its associated lands is to create a regionally unique recreation

destination, which is appropriate to the parkway and its historical river setting. This vision is based on the establishment of an exceptional public marina facility that will be developed in an economically and environmentally sustainable manner. It will also provide easy and convenient access to all the attractions along the Niagara Parkway.

To fulfill this vision and the potential the marina provides, the Commission issued a formal Request for Proposals (RFP) seeking interest in a waterfront development opportunity at the Niagara Parks Marina at Miller's Creek. Niagara Parks has asked the investment and development community to submit proposals to optimize the tremendous tourism, recreation and historical interpretation potential of this site, as well as the fulsome experiences to be offered to the visitor, travelling public and area residents. The RFP process and subsequent evaluations of the submission made will take place in the 2017/2018 fiscal year.

In keeping with the theme of renewal and overall investments made, Niagara Parks also entered the 2016/2017 fiscal year committed to making strategic investments to support the work and efforts of its own employees. The Commission initiated a second employee survey to gather employee input toward assisting staff in reaching their full potential. Based on the results from the last survey conducted in 2013, over 100 improvements were made from suggestions and responses provided by NPC employees. The survey results from this year have been compiled and shared with Niagara Parks' employees, and management and staff are working together to create action plans to improve overall employee engagement and performance.

With Niagara Parks' lease expiring at its former Niagara College Dunn Street address, senior staff undertook a rationalization of office space at Oak Hall, the Distribution Centre and Maintenance Centre facilities. Sixty-three staff moves resulted, bringing staff teams together to better support the overall function of individual departments.

Niagara Parks also launched a new Learning Management System for full-time staff to facilitate online training and to create a more effective reporting mechanism for corporate-wide training. The Commission's Human Resources team began planning for



the implementation of a new Payroll/Time and Attendance system through ADP Canada, which will, when implemented in the 2017/2018 fiscal year, eliminate the antiquated paper-based time keeping systems currently in use.

In the spring of 2017, The Niagara Parks Commission undertook the development of a new 10-Year Strategic Plan to lead the organization forward. During this exercise, the Commission Board and senior staff reviewed the current vision, mandate, and values to determine if they continue to reflect the Commission, its operations and overall direction it intends to set for the future.

The purpose of the Niagara Parks Strategic Plan is to develop a blueprint to enhance the Commission's continued operational performance and reputational positioning, thereby ensuring long term success by:

- preserving and showcasing our rich heritage, culture and lifestyle;
- leveraging and activating our natural wonders and iconic experiences;
- supporting a dynamic business environment with a focus on attracting investment, connection to local communities, job creation and economic well-being; and
- taking experiences, services and hospitality to the next level.

The results of this work will support Niagara Parks' founding principles (financial self-sufficiency and public access) by increasing revenue, increasing employment opportunities, ensuring ongoing maintenance, preserving the Niagara River corridor and the economic well-being of the region, while ensuring continued free public access to the Niagara Parks properties to the greatest extent possible.

The new Strategic Plan will support the priorities of the Ministry of Tourism, Culture and Sport and will be incorporated into the 2018 – 2020 Three-Year Business Plan.

Niagara Parks has also initiated an authentic and inspiring Niagara Parks brand story that differentiates the Niagara River experience from anything else in the world. This new brand enrichment plan, which will be fully implemented during the 2017/2018 fiscal year, focuses on deepening the relationship Niagara Parks has with its visitors throughout their travel cycle, by creating an enduring brand story and identity backed by comprehensive research and analysis.

In November of 2016, the Commission was pleased to appoint a new Chief Executive Officer, Reagan McCullough. As the former Assistant Deputy Minister of Tourism, Parks and Recreation for the Province of Alberta, Reagan's leadership and relationship-building skills will be of great benefit to Niagara Parks as the organization continues to strengthen its infrastructure and build capacity for future sustainability as a self-funded operational agency of the Province of Ontario.

At the time of the CEO's appointment, Niagara Parks was also pleased to announce that David Adames, formerly Niagara Parks Senior Director of Business Development, had been appointed to the newly created role of Chief Operating Officer. This position has overall accountability for the operational divisions of Niagara Parks. David's successful record of achievement in optimizing all facets of the business gives us confidence that we will continue to see positive outcomes as we move forward with the new Strategic Plan and key priorities.

We look forward to working with both Reagan and David as the organization continues to focus on its rich heritage and values of preservation and conservation.

At the same time, Niagara Parks Police Chief, Carl Scott announced his retirement on January 23, 2017 after providing 40-years of dedicated and distinguished policing and community service to both The Niagara Parks Commission (NPC) and the residents of Niagara Region. Chief Scott's passion and commitment to the Niagara Parks Police Service and all that it represents will be missed and we wish him well.

Lastly, I would like to take this opportunity to thank my Board colleagues and the employees of The Niagara Parks Commission for the incredible results attained this past year. The 2016/2017 fiscal year could be described as one in which our collective efforts in striving for excellence in the provision of Niagara Parks products, services and the experiences provided to our guests, resulted in outstanding financial results. More importantly, these efforts allowed us to make significant investments back into our operations and infrastructure to support our staff and to continue to provide exceptional experiences for our visitors.

Respectfully submitted,



Janice Thomson, Chair
The Niagara Parks Commission

a
YEAR IN
review

APRIL 1, 2016 to
MARCH 31, 2017





NPC EDUCATES

80th Anniversary of the Niagara Parks School of Horticulture

The 2016 graduation ceremony marked the 80th anniversary of the Niagara Parks School of Horticulture. This remarkable milestone was the result of the hard work and dedication of the students, staff and alumni who have continued to embrace the vision and mandate of what this important Niagara Parks institution is all about – providing the very best educational experience in the art, science and mystery of horticulture. On April 2, members of the 74th graduating class were presented with their certificates.

Front row: L-R: Niagara Parks Chair, Janice Thomson, Justyna Cetnar, Bailey Wilson, Miriam Elsworthy. Back row: L-R: Charles Hunter, Superintendent of the Niagara Parks School of Horticulture, Caleb Greisman, Andrew Guay, Willem Salomons, Michael Smeja, John Lohuis, Niagara Parks General Manager, and Jason Leavens, Assistant Superintendent of the Niagara Parks School of Horticulture.

NPC SAVOURS

5th Annual Niagara Chef Showcase

Niagara Parks Culinary Services hosted its 5th Annual Niagara Chef Showcase at Legends on the Niagara on Sunday, April 3. This Feast ON certified event featured NPC chefs cooking their favourite dishes alongside other prominent Niagara Chefs, and highlighted the very best in Niagara produce paired with local VQA wines, craft beer and cider. The event also included several raffles and an auction where funds were raised in support of Niagara Parks' plans to plant 5,000 new trees along the Niagara Parkway in 2016.



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NPC RECOGNIZES

NPC Retirement and Service Recognition Dinner

On this special night of appreciation, held on Wednesday, May 11, Niagara Parks took the opportunity to thank its staff, particularly the 21 employees who recently retired and 23 individuals who had achieved the milestone of 25 years of service with the Commission. Each and every year, this event proves to be a fun-filled evening, a true celebration filled with great stories and memories, while thanking and recognizing staff for their many years of service, dedication and commitment to Niagara Parks.

NPC PRESERVES

Niagara Parks Showcases Table Rock Investment as part of Save on Energy Program

On May 17, Niagara Parks was pleased to play host to a visit by Terry Young, Vice President of Conservation and Corporate Relations for The Independent Electricity System Operator (IESO).

Mr. Young requested a tour of Table Rock to review the installation of a new cooling system for the facility, a major energy conservation project undertaken by Niagara Parks, which received the support of Niagara Peninsula Energy, through Ontario's Save on Energy program. Prior to the upgrade, the building relied on seven outdated heating, ventilation, and air-conditioning chillers to cool the building, and operate many fridges and freezers throughout the site. This equipment and systems were outdated, inefficient, and required regular maintenance. With the support of Niagara Peninsula Energy and the Save on Energy Program, Niagara Parks was able to undertake a \$625,000 investment to replace these outdated chillers with a new cooling system consisting of a single chiller, cooling tower, and fluid cooler. The results have been significant by reducing downtime and maintenance costs, as well as garnering energy savings of approximately 525,000 kWh/year, which translates into an energy cost savings of over \$30,000 per year to Niagara Parks.



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NPC PROMOTES WELLNESS

Namaste Niagara



On June 5, Niagara Parks hosted a media event for writers, bloggers and influencers, promoting Niagara Parks' upcoming series of four yoga events to be held during the spring and summer at the lower observation deck of the Journey Behind the Falls attraction. The media event was followed by brunch at Niagara Parks' Feast ON certified Queenston Heights Restaurant. This health, fitness and food experience allowed writers to learn more about Niagara Parks, its attractions and locally sourced culinary offerings, and encouraged them to share their experiences and the story of Niagara Parks with their readership, social media followers and broader online audiences.

NPC PARTNERS

Niagara Parks and Community Partners Unveil a Unique New Bee Habitat



On Monday, June 27, Niagara Parks, in partnership with the Alumni Association of the School of Horticulture, the Ontario Parks Association and the Niagara Catholic District School Board (NCDSB), unveiled a newly installed bee habitat "bee hotel" within the Legacy Prairie Garden at the Niagara Parks Botanical Gardens. The design and development of the bee habitat was the result of the NCDSB's "Innovation, Creativity and Entrepreneurship" program, hosted by Niagara Parks, which encouraged Specialty High Skill Major (SHSM) students to create memorable public engagement and learning experiences.



NPC HELPS HONOUR

10th Celebration of Nikola Tesla Day

On Sunday, July 10, Niagara Parks was pleased to take part in the annual Nikola Tesla Day celebrations held by members of the Serbian community. The evening event allowed all who attended an opportunity to honour a man, who through his work and efforts, changed the face of both Niagara and The Niagara Parks Commission. The event also provided Niagara Parks with the chance to recognize and thank the members of the Serbian School Nikola Tesla, its students and staff, as well as members of the local Serbian community and the St. George Orthodox Church, for their work and efforts in holding this special anniversary celebration.

NPC UNVEILS

Grand Opening of WildPlay Niagara's MistRider to the Falls Zipline Attraction

Niagara Parks and WildPlay Niagara Falls held the official ribbon cutting ceremony for the new MistRider Zipline to the Falls, on Wednesday, July 20. The new zipline experience comprises four parallel lines that take guests on an exhilarating 670-metre (2,200 foot) scenic ride from the Grand View Marketplace to the historic Ontario Power Company building deep in the Niagara Gorge. The grand opening ceremony included remarks by Member of Provincial Parliament for St. Catharines Jim Bradley, President of WildPlay Element Parks, Tom Benson and Niagara Parks Chair, Janice Thomson.

NPC CELEBRATES

Niagara Parks Welcomes iMela Festival to Niagara Falls

On Sunday, July 31, Niagara Parks hosted the third International iMela Festival on the grounds of Queen Victoria Park. This festival represents and celebrates the great cultural diversity, which makes not only Canada, but also Niagara Parks a great place to visit. Niagara Parks was thrilled to host this event and work with the organizers of the International iMela Festival, inviting all visitors to Niagara Parks to celebrate the rich Indian and Indo-Canadian culture present in our communities, while enjoying choreographed Bhangra dance performances, Punjabi musical acts and other cultural activities.



NPC COMMEMORATES

Niagara Parks Whirlpool Aero Car 100th Anniversary Event

Niagara Parks, along with representatives of the Spanish Government, as well as family members of renowned Spanish designer and engineer, Leonardo Torres Quevedo, gathered on August 8, to unveil a special plaque commemorating the 100th anniversary of the Whirlpool Aero Car. The continued operation of the Whirlpool Aero Car is a living testament to the brilliance and foresight of its original Spanish designer, engineer Leonardo Torres Quevedo. The commemorative plaque was designed and made in Spain by the Regional Government of Cantabria, the Spanish City of Santander and the MilVelas Association. The celebrations, which were conducted at the Aero Car site, featured remarks provided by NPC Chair Janice Thomson and His Excellency Carlos Gómez-Múgica Sanz, the Spanish Ambassador to Canada. The ceremony also included members of the Torres Quevedo family, who made a special trip from Spain to attend the anniversary celebrations.



NPC BROADCASTS

Gathering to Watch the Tragically Hip

On Saturday, August 20, Niagara Parks participated in the Canadian Broadcast Corporation (CBC) presentation of "The Tragically Hip: A National Celebration", by airing the classic Canadian band's final concert performance on two large screens in Queen Victoria Park. Niagara Parks' talented culinary arts team was on-site ahead of the broadcast, which began at 8:30 p.m., serving up a Great Canadian BBQ, in a licensed area on the front lawn of Queen Victoria Place for the thousands that gathered. Niagara Parks was proud to take part in this "uniquely Canadian experience", inviting visitors to Queen Victoria Park to join fellow Canadians across the country in celebration of this important concert performance of The Tragically Hip.

NPC SAVOURS

Annual Sip, Sizzle & Savour BBQ

Set against the stunning backdrop of the lower Niagara River in the heart of wine country, Niagara Parks hosted the Annual Harvest BBQ, Sip, Sizzle & Savour, on the patio of Queenston Heights Restaurant, located next to Brock's Monument, on August 28. NPC's world-renowned chefs created an irresistible menu featuring Niagara's seasonal harvest, which was showcased at six special dining stations. Other popular tasting stations included samples from Château Des Charmes, Inniskillin, Jackson-Triggs, Reif Estate Winery, Mike Weir Winery and Niagara Oast House Brewers. Guests were invited to mingle and savour the delicious menu selections while enjoying live outdoor musical entertainment per year to Niagara Parks.

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NPC LAUNCHES

Rooted: Celebrating the Garden

To commemorate the 80th anniversary of The Niagara Parks Commission School of Horticulture, Niagara Parks launched a new signature event, Rooted: Celebrating the Gardens, a showcase of the natural, cultural, and culinary profile of the Niagara region. The event took place on the grounds of the Niagara Parks Botanical Gardens and School of Horticulture on September 10-11 and provided visitors with an experience that combined the beauty of the Niagara Parks Botanical Gardens with interactive and informative programming, featuring local artists, Niagara Parks horticultural professionals and culinary experts and the numerous community nature and garden clubs that work closely with Niagara Parks.



NPC HERITAGE

Dye Day at the Laura Secord Homestead

Niagara Parks Heritage Team hosted an interactive workshop entitled "Dye Day" at the Laura Secord Homestead, on September 24, as a new way to share the cultural heritage stories that characterize the Niagara River Corridor with our visitors. Niagara Parks interpretive staff at the Homestead created natural dyes and explained the history of the use of dyes during Laura Secord's era, including dyes used in the making of the iconic red British military uniforms of the War of 1812. Workshop participants learned about the traditional dyeing process and had the opportunity to dye their own wool cloth, as they were given a bundle of hand spun yarn to take home, along with a product kit to continue experimenting with the dyeing process.



NPC HONOURS

Landscape of Nations Memorial Unveiling Ceremony

In a ceremony held on October 2 on the grounds of Queenston Heights, the Landscape of Nations: Six Nations and Native Allies Commemorative Memorial was officially unveiled. Representing a historic and permanent recognition of the contributions made by Indigenous peoples during the War of 1812, Niagara Parks' participation in this project began in 2011 when it was approached by the Town of Niagara-on-the-Lake's Bicentennial Working Group, seeking permission to locate the memorial within the earthwork known as Fort Riall, on the grounds of Queenston Heights. The members of the working group are to be commended for their work and passion in wanting to create this memorial, to affirm the proper place of First Nations peoples at the core of Canadian history. Given the involvement of The Niagara Parks Commission in the preservation of several significant War of 1812 sites within this region, Niagara Parks believes the memorial will become an important heritage destination, offering a place of peaceful reflection and serving as an educational beacon illuminating the critically important contributions Indigenous peoples made to Canada during its formative years.

The dedication ceremony unveiled the stunning bronze sculptures of Native leaders John Norton and John Brant, created by artist Raymond Skye, as well as eight bronze medallions that appear on Queenston limestone walls that form the centre memory circle which makes up this meaningful memorial.

NPC GROWS

Ceremonial Planting of Canada's 150th Celebration Garden

In celebration of Canada's upcoming 150th anniversary, the Canadian Garden Council, through a generous donation from Vesey's Bulbs of Prince Edward Island, provided Niagara Parks with a gift of 30,000 tulip bulbs to create a Canada 150th Celebration Garden Promenade, within Queen Victoria Park. On October 21, representatives from Niagara Parks, The Canadian Garden Council and Vesey's Bulbs took part in a ceremonial planting of red and white tulip bulbs along the promenade overlooking the American Falls. Queen Victoria Park was selected by the Canadian Garden Council to be a flagship location for this initiative, as it is one of Canada's most significant gateways and iconic destinations for visitors from throughout the world.



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october
2016
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NPC PRESERVES

Chippawa Grasslands Management Plan

Niagara Parks was pleased to begin implementation of its Chippawa Grassland Bird Habitat Plan, in October of 2016. With the decline of grassland habitat and grassland bird populations taking place throughout southern Ontario, there is a need to protect and enhance existing grasslands. Working with Environment and Climate Change Canada and the Ontario Ministry of Natural Resources and Forestry, this habitat management plan has been developed to enhance existing grasslands at the Chippawa Battlefield and adjacent south plain areas along the south Niagara Parkway and will support such bird

species as the bobolink, eastern meadowlark, as well as several pollinator species. Implementation of this plan will take place over the next three years and will result in the restoration of up to 50 hectares (120 acres) of fallow fields adjacent to NPC's 400-hectare Legends on the Niagara Golf Complex, which is an Audubon International Certified Golf Course.

This important environmental program has received the support of General Electric (GE), which is constructing a new facility within the Region. The site of the new GE plant formerly contained habitat that supported the bobolink and could only be disturbed once a suitable replacement was established. That work is taking place right now, as part of the Chippawa Grasslands Management Plan.



NPC RECOGNIZES

11th Annual Apprentice Cooks & Chefs Showcase Dinner

On November 3, Niagara Parks played host to the 11th annual Apprentice Cooks and Chefs Showcase Dinner at Queenston Heights Restaurant. Set against a stunning backdrop overlooking the lower Niagara River, the event allowed Niagara Parks apprentice cooks to demonstrate their passion alongside Niagara Parks' talented Culinary Arts Team, as they prepared a six-course dinner featuring local produce and Niagara VQA wines. The event also recognized this year's scholarship recipient, Bradley Cameron, who was presented with a cheque for \$1,000 by Niagara Parks' Culinary Services Director and Corporate Chef Paul Pennock, as well as a professional culinary knife kit valued at \$500, donated by the Canadian Food and Wine Institute at Niagara College.

NPC PARTICIPATES

Ontario Power Generation Winter Festival of Lights Celebrations

On Saturday, November 19, Niagara Parks Chair, Janice Thomson was pleased to take part in the opening ceremonies for the 34th Annual Winter Festival of Lights. The annual festival transforms Niagara Falls into a palette of breathtaking colour with millions of sparkling lights and animated displays, located within Niagara Parks, Dufferin Islands and the surrounding tourism districts of Niagara. As an original founder and supporter of the festival, Niagara Parks invested \$300,000 in 2017 on new lighting, programming and infrastructure improvements within Queen Victoria Park, to support and enhance "Aura", its own winter plans, as well as those of the festival, well into the future. Included in this was the establishment of a new Holiday Market pilot project, which took place over the first two weekends of the festival, at Niagara Parks Grand View Marketplace. As primary host of this wonderful festival and of the New Year's Eve celebrations, Niagara Parks looks forward to annually hosting these important community events, which welcomes families to enjoy all that Niagara and Niagara Parks have to offer during the holiday season.



november
2016

NPC RAISES AWARENESS

UN Women and Zonta Club of Niagara Falls Global Illumination Campaign

On November 24, The Niagara Parks Commission and The Niagara Falls Illumination Board were once again pleased to be part of this United Nations sponsored global awareness campaign, dedicated to the elimination of violence against women. With members of the Zonta Club of Niagara holding a candle-lit vigil, Niagara Falls was illuminated in orange, joining other famous landmarks and monuments from around the world, in support of this important campaign.

NPC STEWARDS

Coastal Wetland Restoration Projects

In November, Niagara Parks began work, in collaboration with the Ontario Ministry of Natural Resources and Forestry (MNRF), to establish two coastal wetland restoration projects at the mouths of Baker's Creek and Ussher's Creek along the Niagara River. Coastal wetlands provide refuge habitat for 'young-of-the-year' fish and various prey species, critical for supporting fish populations. It was determined that over 75% of the coastal wetlands in the Niagara River had been lost over time, resulting in a decrease in fish populations. These two projects were implemented to provide essential fish habitat with the goal of increasing fish populations within the Niagara River. To create these coastal wetlands, woody debris such as ash trees, which had succumbed to the Emerald Ash Borer, and recycled Christmas trees were anchored into the bed of the Niagara River, allowing aquatic and semi-aquatic vegetation to establish along the shoreline.



.....
december
2016
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NPC ILLUMINATES

Unveiling of Enhanced Falls Illumination Project

As part of its ongoing role in support of the destination and to promote increased year-round visitation to the area, The Niagara Falls Illumination Board was proud to unveil its \$4M enhanced Falls illumination project to the public, showcasing the beauty and majesty of both the American and Canadian Falls, at night. Following thorough Request for Qualifications (RFQ) and Request for Proposal (RFP) processes, a consortium of firms comprised of ECCO Electric Ltd, Salex Inc, Mulvey & Banani Lighting Inc, Sceneworks and Stanley Electric was selected to undertake this redevelopment project. With financial support provided by government and local tourism stakeholders on both sides of the border, the lighting upgrades, the first

to have taken place in more than twenty years, now provide more than twice the previous lighting levels of the Falls, and a broader and more robust colour spectrum for all those wishing to view and experience Niagara Falls at night.

NPC CELEBRATES

Niagara Parks Hosts New Year's Celebration

Niagara Parks once again hosted a fantastic New Year's Eve celebration in Queen Victoria Park with free concerts and spectacular fireworks displays at 9 pm and again at midnight. Canada's largest free New Year's Eve event featured performances by one of Canada's most beloved rock groups, the Sam Roberts Band, Juno-winner Serena Ryder, Canadian Country Music Association Award winners, High Valley and local Niagara Falls rock

band, James Blonde. The outdoor event also included food and beverage options, as well as a fully licensed area.

NPC HOSTS

Japanese Students Visit Niagara Parks Butterfly Conservatory

On December 12 Niagara Parks played host to 35 high school students from Sapporo, Japan, who were in Niagara to complete a Brock University Customized English Language Program with a focus on tourism. While in Canada, the students had been working on presentations on the tourism offerings/events and activities in their home community to present to NPC representatives, as well as learn more about the operations of Niagara Parks.



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 january
 2017



NPC PRESENTS

Niagara Parks Hosts Annual Wedding Showcase

Niagara Parks hosted its annual Wedding Open House on January 28 at Legends on the Niagara Golf Complex, allowing Niagara Parks' certified wedding and event specialists, chefs and venue managers to showcase the breathtaking ceremony locations, award-winning reception venues and delicious culinary offerings provided by Niagara Parks. The Open House was an opportunity for couples and families to connect directly with the Niagara Parks team to discuss the exclusive wedding offerings available on that most special day at Niagara Parks.



NPC ESTABLISHES

Representatives of Mount Taishan Meet with Niagara Parks

On January 12, Niagara Parks hosted a visit by the Deputy Director and Director of Legislative Affairs and Policy Research for the Mount Taishan Scenic Area Management Committee. Mount Taishan is considered a mountain of historical and cultural significance in China, and was designated a UNESCO World Heritage site in 1987. In the fall of 2015, Chair Thomson and the Director of the Mount Taishan Scenic Area Management Committee formalized a Memorandum of Understanding between both organizations aimed at the possible establishment of a sister park relationship between the two popular natural tourism attractions.



.....
february
2017
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NPC SHOWCASES NATURE

Northern Owl Exhibit at the Butterfly Conservatory

Beginning on February 13, Niagara Parks' Butterfly Conservatory was pleased to present Northern Owls, a travelling exhibit from the Royal Ontario Museum that offered guests a unique look into the intriguing world of owls through static displays and live bird demonstrations. The exhibit marked the first of NPC's planned Rooted initiatives, developed under the provincial government's Ontario150 Funding Program and was designed to celebrate the natural and cultural heritage of both Niagara and the Province of Ontario. This family-friendly, bilingual exhibit featured 10 different specimens of Northern Owls and focused on the fascinating and lesser-known aspects of owl behavior, biology and lifestyle. Popular free live raptor displays and demonstrations, led by the Canadian Raptor Conservancy, also helped bring the Northern Owls exhibit to life for all those who attended the exhibit over its two month stay at the Conservatory.

NPC EDUCATES

Helping Golfers Improve their Game

The Niagara Parks Legends on the Niagara Golf Complex offered a newly enhanced Winter Golf Academy to help golfers prepare and improve their game ahead of the upcoming golf season. The 2017 Winter Academy featured one of the best golf simulators available, offered within the indoor school at the main clubhouse at Legends. The Academy also provided private instruction and video and Flightscope technology within each hitting bay, to give feedback on ball and club speed, launch angles and more. Another aspect of the Winter Academy was a partnership with renowned health and fitness authority, Nathane Jackson, which allowed guests to book private sessions for a golf conditioning workout to improve their overall physical fitness during the off-season.



NPC SHINES SPOTLIGHT

Tourism Ireland Global Greening Initiative Lights up Niagara Falls in Green

The Niagara Falls Illumination Board renewed its partnership with Tourism Ireland's "Global Greening" campaign, as it lit Niagara Falls in green in celebration of all things Irish on St. Patrick's Day on March 17. The "Global Greening" campaign connected Niagara Falls with many other world icons such as the Empire State Building, the Colosseum in Rome, the Christ the Redeemer statue in Rio de Janeiro, the Nelson's Column in London and the Leaning Tower of Pisa, that all participated in the initiative. The opportunity also allowed the Niagara Falls Illumination Board to showcase the more robust colour spectrum and increased lighting capabilities provided by the newly enhanced LED lighting technology unveiled in December.

NPC SEEKS INTEREST

Niagara Parks Issues Request for Proposals (RFP) for Waterfront Opportunity

On March 13, Niagara Parks issued a formal Request for Proposals (RFP) to the investment and development community, seeking interest in a waterfront development opportunity for its Niagara Parks Marina property at Miller's Creek. The waterfront location, including the marina and adjacent 26-hectare property, is 22 kilometres south of the Horseshoe Falls in Fort Erie and is poised to become a signature destination, providing avid boaters with the opportunity to access and navigate hundreds of kilometres of lakes, rivers and canals in both Canada and the United States. Envisioning a world class waterfront development that appeals to vacationers and boaters looking for an exceptional stay in a truly unique historic setting, surrounded by nature, Niagara Parks invited proposals from the investment and development community to optimize this tremendous opportunity

ECONOMIC PERFORMANCE

Hosting important events, obtaining positive media coverage and making investments in key Parks infrastructure are but some of the factors in the economic recovery that had taken root in the tourism industry in fiscal 2017. Tremendous weather conditions, continued economic growth in the United States, lower oil and gas prices, combined with a low Canadian dollar have all benefited the Canadian tourism industry, as well.

Statistics Canada data provided by the Ontario Ministry of Tourism, Culture and Sport confirm this. American visitation to Ontario continued to rebound significantly during the 2016 calendar year as U.S. border crossings into Ontario increased by 8.6% during the year. This visitation growth and its associated spend have been a significant factor in the economic improvements realized by NPC in the 2017 fiscal year, as U.S. visitors to the Park represent a significant segment of NPC's current visitor mix. In fact, 62.6% of all respondents to NPC's customer survey, conducted in the spring and summer of 2016, identified themselves as being a resident of the United States.

Given the weakened state of the Canadian dollar, more and more Canadians decided to spend their vacations here at home and Niagara Parks and the Niagara tourism industry were the

beneficiaries of this trend. Statistics Canada data supplied by the Ontario Ministry of Tourism, Culture and Sport reported that in 2016 Canadian visitors returning from the U.S. into Ontario continued to show signs of a steady decline, dropping by 6.0%. As a result, domestic visitation to Niagara Parks, primarily by visitors from the Greater Toronto Area (GTA), helped play an important role in the tourism recovery experienced in 2016. According to NPC's recent customer survey findings, homegrown visitation represents NPC's second largest market segment, with 29.2% of all respondents identifying themselves as being from Canada.

The growth of overseas visitation to Ontario continues to be a bright spot, as international visitation rose by 13.4% during the 2016 calendar year; a reflection of the strong growth being experienced in both traditional tourism markets such as the U.K. +16.9%, Germany +12.7%, Japan +9.2% and Mexico +21.2%, as well as in new and emerging markets such as China +18.90%, South Korea +36.4%, and India +16.5%. Of the 17 countries monitored for travel into Ontario over the calendar year, all reported increases in visitation, with only two countries, Brazil +0.1% and France 0.2%, reporting visitation totals as being essentially flat or the same as the year prior.

ECONOMIC PERFORMANCE

Because of this growth in visitation, overall attendance at NPC's attractions was up by 2.5% during the 2017 fiscal year. This strong growth helped propel the Commission to generate revenues of \$109 million, an overall increase of \$13.7 million when compared to budget and an increase of \$11.8 million in revenues generated, when compared to the 2016 fiscal year.

Overall increased visitation and NPC's capital investments in signage and retail displays resulted in better merchandising, with increases in the number of retail transactions, as well as an increase in the average transaction value. There was an increase in demand for beverages, due to a hot, dry summer, as well as an increase in the demand for Canadian-branded goods. As a result of these factors, NPC achieved an increase in its retail revenues of \$3.5 million (16.5%) over the prior fiscal year.

Culinary services also experienced a very favourable year in its operations, with an increase in the number of restaurant covers as well as average transaction value. Excellent weather conditions, with few rain days resulted in an improvement in

sales at outdoor locations. Improved signage and lighting also contributed to increases in revenue, particularly at NPC's Queen Victoria Park location. The marketing of winter weddings at Niagara Parks' venues and culinary facilities also generated an additional \$175 thousand over the previous year. Revenues generated by NPC's culinary operations were also up \$2.6 million (15.0%) compared to the prior year.

NPC Golf also witnessed a fantastic year with excellent weather conditions and more tournament bookings, resulting in an increase in rounds played, thereby generating an additional \$465 thousand in golf revenues over the prior fiscal year.

NPC's heritage venues experienced an increase in visitation of 8.2% over the fiscal year, resulting in revenues generated by the unit being up by \$14 thousand or 3.3% versus last fiscal year.

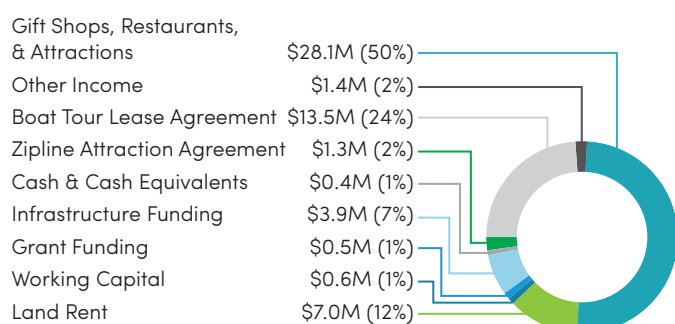
Highlights of the financial results for NPC for the year ended March 31, 2017, as well as the financial results for the prior year ending March 31, 2016, are summarized in the table below.

Apr. 1, 2016 – March 31, 2017 Actual Operating Results *(in thousands of dollars)*

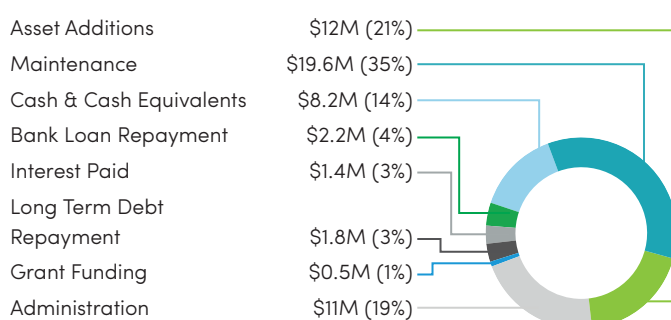
	2017			2016
	Budget	Actual	Variance to Budget	Actual
Revenues	\$95,370	\$109,038	\$13,668	\$97,222
Operating Expenses	82,469	87,981	\$5,512	82,844
Net Surplus for the Year, before interest, depreciation and capital items (EBID)	12,901	21,057	8,156	14,378

BUSINESS CLIMATE

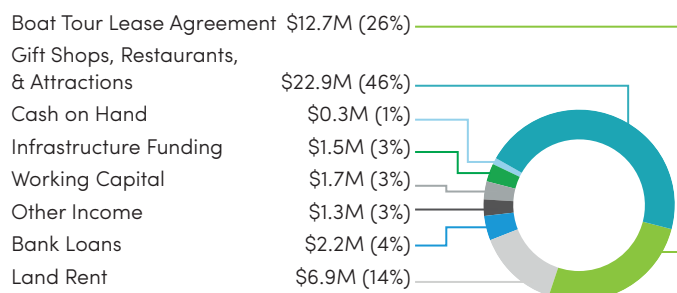
Where the Commission's Dollars Came From 2017 April 1, 2016 to March 31, 2017



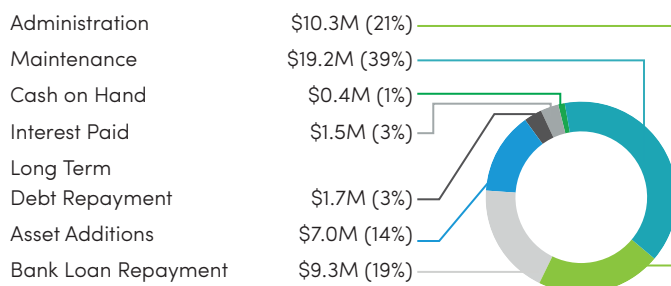
Where the Commission's Dollars Went 2017 April 1, 2016 to March 31, 2017



Where the Commission's Dollars Came From 2016 April 1, 2015 to March 31, 2016



Where the Commission's Dollars Went 2016 April 1, 2015 to March 31, 2016



Comparative Performance – Gift Shops, Restaurants, and Attractions (\$`000)

	2017	% Of Sales	2016	% Of Sales
Income	\$85,424	100%	\$76,402	100%
Cost of Goods Sold	14,871	17%	13,265	17%
Gross Profit	\$70,553	83%	\$63,137	83%
Operating Expenditures	42,409	50%	40,236	53%
Net Income Before Administrative Overhead and Depreciation	\$28,144	33%	\$22,901	30%

NPC ATTENDANCE

Paid Attractions	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016	Increase/ (Decrease)
<i>Journey Behind the Falls</i>	855,575	837,697	17,878
<i>Butterfly Conservatory</i>	278,024	292,137	(14,113)
<i>Whirlpool Aero Car</i>	132,912	124,395	8,517
<i>White Water Walk</i>	244,647	215,867	28,780
<i>Niagara's Fury</i>	331,860	332,032	(172)
<i>Floral Showhouse</i>	45,087	40,246	4,841
Total	1,888,105	1,842,374	45,731
Golf			
<i>Oak Hall Par 3 Golf Course</i>	2,090	1,855	235
<i>Whirlpool Golf Course</i>	26,575	24,962	1,613
<i>Legends on the Niagara</i>	48,544	46,785	1,759
Total	77,209	73,602	3,607
Historic Sites			
<i>Old Fort Erie</i>	13,577	13,534	43
<i>Laura Secord Homestead</i>	6,190	5,569	621
<i>MacKenzie Printery</i>	3,443	3,110	333
<i>McFarland House</i>	3,750	2,700	1,050
Total	26,960	24,913	2,047
Transportation			
<i>WEGO Transportation Service</i>	1,159,901	995,345	164,556
<i>Falls Incline Railway</i>	990,363	971,941	18,422
Total	2,150,264	1,967,286	182,978
Total Attendance	4,142,538	3,908,175	234,363

Note 1: WEGO attendance represents Green Line ridership along the Niagara Parkway only.

*During the 2016 calendar year, boat tour operator, Hornblower Niagara Cruises, reported attendance of 2.25 million visitors.

**WildPlay MistRider Zipline to the Falls to the Falls attraction opened to the public on Wednesday, July 20, 2016. In its first partial year of operation, WildPlay Niagara reported Zipline attendance of 49,834 riders.

COMMISSIONER REMUNERATION

Niagara Parks Commissioners are paid a per diem when working on Commission business and fulfilling their duties as a member of the Commission Board. The per diem of \$250 for the Chair, \$175 for the Vice-Chair and \$135 for each member of the Board is set by the Government of Ontario.

The table below lists the remuneration paid to Commissioners during the 2017 fiscal year (April 1, 2016 to March 31, 2017), as well as reimbursed out of pocket expenses.

Commissioner	Remuneration	Expenses	Total
Janice Thomson, <i>Chair</i>	\$24,875.00	\$5,548.50	\$30,423.50
Joan Andrew, <i>Vice-Chair</i>	\$5,075.00	\$2,360.87	\$7,435.87
Pat Darte, <i>Commissioner</i>	\$1,012.50	\$120.24	\$1,132.74
James Detenbeck, <i>Commissioner</i>	\$1,147.50	\$350.53	\$1,498.03
Jim Diodati, <i>Commissioner</i>	\$1,485.00	\$57.60	\$1,542.60
Lois Anne Giles, <i>Commissioner</i>	\$2,565.00	\$227.60	\$2,792.60
Michael Goodale, <i>Commissioner</i>	\$2,902.50	\$384.20	\$3,286.70
Vincent Kerrio, <i>Commissioner</i>	\$0.00	\$0.00	\$0.00
Ian Nielsen-Jones, <i>Commissioner</i>	\$3,240.00	\$2,832.87	\$6,072.87
Kerry Pond, <i>Commissioner</i>	\$0.00	\$1,402.14	\$1,402.14
Wayne Redekop, <i>Commissioner</i>	\$0.00	\$0.00	\$0.00
Virginia West, <i>Commissioner</i>	\$2,227.50	\$1,342.77	\$3,570.27
Total	\$44,530.00	\$14,627.32	\$59,157.32



FINANCIAL STATEMENTS

APRIL 1, 2016 TO
MARCH 31, 2017

MANAGEMENT REPORT

The Management of The Niagara Parks Commission are responsible for the financial statements and all other information presented in these statements. The statements have been prepared by management in accordance with the framework identified in Note 2 in the accompanying audited financial statements.

The financial statements include amounts based on best estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the statements are presented fairly, in all material respects.

Management maintains a system of internal accounting and administrative control that is designed to provide reasonable assurance that the financial information is relevant, reliable, accurate and that the Commission's assets are properly accounted for and adequately safeguarded.

The Board of The Niagara Parks Commission is responsible for gaining assurance that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board, through the Audit and Finance Committee, meets periodically with Management to discuss financial results, auditing matters, financial reporting issues and to satisfy itself that each group is properly discharging responsibilities. The Committee reviews the financial statements before recommending approval by the Board.

The financial statements have been audited by Grant Thornton LLP, the Commission's appointed External Auditor and in accordance with Canadian generally accepted auditing standards on behalf of the Commission, Minister of Tourism, Culture and Sport and the Provincial Auditor General. Grant Thornton LLP had direct and full access to all Commission records as well as full access to the Audit and Finance Committee with and without the presence of Management to discuss their audit and findings as to the integrity of the Commission's financial reporting.



Reegan McCullough, Chief Executive Officer
Niagara Parks Commission
June 23, 2017



Margaret Neubauer, Senior Director, Corporate Services
Niagara Parks Commission
June 23, 2017

INDEPENDENT AUDITOR'S REPORT

**To The Niagara Parks Commission, the Minister of Tourism,
Culture and Sport and the Auditor General of Ontario**

We have audited the accompanying financial statements of The Niagara Parks Commission, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements in accordance with the basis of accounting described in Note 2 to the financial statements, 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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of The Niagara Parks Commission for the year ended March 31, 2017 are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to the financial statements.

Emphasis of matters

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting used in the preparation of these financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Port Colborne, Canada
June 23, 2017

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants
Licensed Public Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31, 2017

(in thousands of dollars)

Financial Assets

Cash and cash equivalents	\$ 8,207	\$ 395
Accounts receivable	4,974	1,738
Inventories – saleable	4,055	3,892
	17,236	6,025

Liabilities

Bank indebtedness (Note 3)	-	2,180
Accounts payable	10,977	9,041
Accrued payroll	2,758	2,706
Deferred revenue (Note 4)	2,283	1,316
Deferred capital funding (Note 5)	28,534	26,390
Long term financing (Note 6)	26,592	28,371
Post-employment benefits (Note 7)	3,121	3,558
Power plant stabilization obligation (Note 8)	29,414	29,076
	103,679	102,638

Net debt

(86,443) (96,613)

Non-financial assets

Tangible capital assets (Note 10 and Page 53)	158,613	155,332
Inventories – other	936	1,199
Prepaid expenses	479	1,230
	160,028	157,761

Accumulated surplus (Note 11)

\$ 73,585 \$ 61,148

Commitments and contingencies (Notes 12 and 13)

On behalf of the Commission



Janice Thomson, Chair



Ian Nielsen-Jones, Commissioner

STATEMENT OF OPERATIONS

For the year ended March 31, 2017

	Budget 2017	Actual 2017	Actual 2016
<i>(in thousands of dollars)</i>			
Revenues			
Revenue producing operations	\$ 73,088	\$ 85,424	\$ 76,402
Land rent	6,997	7,009	6,882
Commission, rentals and fees	14,480	14,946	12,858
Premium on United States funds – net	800	1,119	1,073
Government transfers – special projects	-	520	-
Sundry revenue	5	20	7
	<u>95,370</u>	<u>109,038</u>	<u>97,222</u>
Expenses (Page 54)			
Revenue producing operations			
Cost of goods sold	12,008	14,871	13,265
Operating	37,044	38,995	36,953
Maintenance	16,133	16,343	15,759
Administrative and police	13,689	13,838	13,584
Marketing and promotion	3,595	3,414	3,283
Special projects	-	520	-
	<u>82,469</u>	<u>87,981</u>	<u>82,844</u>
Net surplus (deficit) for the year before other items	<u>12,901</u>	<u>21,057</u>	<u>14,378</u>
Other items			
Interest expense – net (Note 14)	1,483	1,282	1,502
Amortization of tangible capital assets (Note 10)	9,033	8,754	8,359
Amortization of deferred capital funding (Note 5)	(1,670)	(1,706)	(1,498)
Gain on disposal of tangible capital assets	-	(48)	(34)
	<u>8,846</u>	<u>8,282</u>	<u>8,329</u>
Net surplus from operations	<u>4,055</u>	<u>12,775</u>	<u>6,049</u>
Net increase in power plant stabilization obligation (Note 8)	<u>(705)</u>	<u>(338)</u>	<u>(239)</u>
Annual surplus	<u>\$ 3,350</u>	<u>\$ 12,437</u>	<u>\$ 5,810</u>

See accompanying notes to the financial statements.

STATEMENT OF ACCUMULATED SURPLUS

For the year ended March 31, 2017

(in thousands of dollars)

Accumulated Surplus (Note 11)

	Budget 2017	Actual 2017	Actual 2016
Beginning of year	\$ 61,148	\$ 61,148	\$ 55,338
Annual surplus	3,350	12,437	5,810
End of year	\$ 64,498	\$ 73,585	\$ 61,148

See accompanying notes to the financial statements.



STATEMENT OF CHANGES IN NET DEBT

For the year ended March 31, 2017

	Budget 2017	Actual 2017	Actual 2016
<i>(in thousands of dollars)</i>			
Annual surplus	\$ 3,350	\$ 12,437	\$ 5,810
Amortization of tangible capital assets (Note 10 and Page 53)	9,033	8,754	8,359
Purchase of tangible capital assets (Page 53)	(10,955)	(12,088)	(7,016)
Proceeds from the disposal of tangible capital assets	-	101	34
Gain on sale of tangible capital assets – net	-	(48)	(34)
	1,428	9,156	7,153
Acquisition of prepaid expenses	-	751	(357)
Use of other inventories	-	263	277
Decrease in net debt	1,428	10,170	7,073
Net Debt			
Beginning of year	(96,613)	(96,613)	(103,686)
End of year	\$ (95,185)	\$ (86,443)	\$ (96,613)

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS

For the year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
<i>(in thousands of dollars)</i>		
Increase in cash and cash equivalents		
Operating activities		
Annual surplus	\$ 12,437	\$ 5,810
Charges against income not requiring an outlay of funds		
Amortization of tangible capital assets (Note 10 and Page 53)	8,754	8,359
Amortization of deferred capital funding	(1,706)	(1,498)
Gain on disposal of tangible capital assets – net	(48)	(34)
Increase in post-employment benefits	173	183
Increase in power plant stabilization obligation – net	338	239
	<u>19,948</u>	<u>13,059</u>
Net change in non-cash working capital balances related to operations (Note 15)	<u>570</u>	<u>1,694</u>
	<u>20,518</u>	<u>14,753</u>
Capital activities		
Purchase of tangible capital assets (Page 53)	(12,088)	(7,016)
Proceeds from sale of tangible capital assets	101	34
	<u>(11,987)</u>	<u>(6,982)</u>
Financing activities		
Repayment of long term financing	(1,779)	(1,701)
Payment of post-employment benefits	(610)	(322)
Receipt of capital funding	3,850	1,450
	<u>1,461</u>	<u>(573)</u>
Net increase in cash and cash equivalents	<u>9,992</u>	<u>7,198</u>
Cash and cash equivalents (Note 15)		
Beginnings of year	<u>(1,785)</u>	<u>(8,983)</u>
End of year	<u>\$ 8,207</u>	<u>\$ (1,785)</u>



NOTES TO THE FINANCIAL STATEMENTS

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

1. Nature of operations

The Niagara Parks Commission (the "Commission") is governed by the Niagara Parks Act. Initially established in 1885, the Commission is an "Operational Enterprise" of the Province of Ontario and is responsible for maintaining, protecting and showcasing over 1,300 hectares of parkland stretching some 56 kilometres along the Niagara River from Lake Erie to Lake Ontario. The Commission is exempt from corporate income taxes under the Income Tax Act (Canada) and Ontario Corporation Tax Act.

The Commission is also classified as an Other Government Organization by the Ministry of Finance and as such, the Commission's audited financial statements are published as part of the Public Accounts.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the financial reporting provisions of the Ontario Financial Administration Act, Ontario Ministry of Tourism Memorandum of Understanding and the accounting requirements of Regulation 395/11 of the Ontario Financial Administration Act. The Ontario Ministry of Tourism Memorandum of Understanding requires that the financial statements be prepared in accordance with the Canadian public sector accounting standards. The Ontario Financial Administration Act provides that changes may be required to the application of these standards as a result of regulation.

Regulation 395/11 to the Ontario Financial Administration Act requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the Statement of Operations at a rate equal to amortization charged on the related depreciable tangible capital assets. These contributions include government transfers and externally restricted contributions.

The accounting requirement under Regulation 395/11 is not consistent with the requirements of Canadian public sector accounting standards which requires that:

- government transfers be recognized as revenue when approved by the transferor and the eligibility criteria have been met unless the transfer contains a stipulation that creates a liability, in which case the transfer is recognized as revenue over the period that the liability is extinguished in accordance with public sector accounting standard PS3410;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result revenue recognized in the Statement of Operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

2. Significant accounting policies (continued)

Basis of accounting (continued)

The significant accounting principles used in the preparation of these financial statements are summarized below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with maturities of less than three months.

Inventories

Saleable and other inventories are valued at the lower of average cost and net realizable value.

Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenses in the acquisition, construction, development and/or betterment of the asset required to install the asset at the location and in the condition necessary for its intended use. Contributed tangible capital assets are capitalized at estimated fair value upon acquisition.

The Commission capitalizes an amount of interest as part of the costs of its capital works in progress and financed via long term financing.

Works of art for display in the Commission property are not included as capital assets. Works of art are held for exhibition, educational and historical interest. Such assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. No valuation of the collection has been disclosed in the financial statements.

Leases are classified as capital or operating leases. Leases that transfer substantially all benefits incidental to ownership are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Amortization is calculated on a straight-line basis to write-off the net cost of each asset over its estimated useful life for all classes except land. Land is considered to have an infinite life without amortization. Residual values of assets are assumed to be zero with any net gain or loss arising from the disposal of assets recognized in the Statement of Operations. Amortization is charged on a monthly basis. Assets under construction are not amortized until the asset is available for productive use.

Amortization is based on the following classifications and useful lives:

Classification	Useful Life
Land improvements, buildings, roadways and structures	7 to 40 years
Equipment and furnishings	3 to 10 years
Vehicles	10 to 12 years

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

2. Significant accounting policies (continued)

Deferred revenue

Revenue that is restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenues. When qualifying expenses are incurred, restricted revenues are brought into revenue at equal amounts. Revenues received in advance of expenses that will be incurred in a later period are deferred until they are earned by being matched against those expenses.

Deferred capital funding

Government transfers for capital purposes and contributed tangible capital assets are recorded as a liability, referred to as deferred capital funding, and are recognized into revenue at the same rate as the related tangible capital assets are amortized, in accordance with Regulation 395/11 to the Ontario Financial Administration Act, as disclosed above.

Post-employment benefits

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements.

Liabilities for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Commission:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

Revenue recognition

Revenue from gift shops, restaurants and attractions are recognized when merchandise has been transferred to the customer or services have been rendered. Revenue from land rent, commissions, rentals, fees and sundry are recognized over the life of the agreement or when earned.

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

2. Significant accounting policies (continued)

Foreign currency translation

These financial statements are presented in Canadian dollars. Assets and liabilities denominated in foreign currencies are translated at the exchange rates in effect at the Statement of Financial Position date. Gains and losses on translation are reflected in the annual surplus (deficit).

Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Two areas in which estimates are used are with regards to post-employment benefits and the power plant stabilization obligation.

3. Credit facilities

The credit facilities, which have a maximum borrowing capacity of \$ 15,000,000, provide for two types of loans. There is a variable rate loan facility which varies with the Canadian Imperial Bank of Commerce prime rate and there is a fixed rate operating loan facility available with a maximum term not to exceed 364 days at rates which are set relative to banker's acceptance rates. These credit facilities are unsecured and expire on March 31, 2021, with an option of a three year renewal at the Commission's discretion. As at March 31, 2017, \$ Nil has been drawn upon for all credit facilities (2016 – \$ 1,371,416). Taking into account outstanding cheques and deposits, the balance reported on the Statement of Financial Position is \$ Nil (2016 – \$ 2,179,628).

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

4. Deferred revenue

	<u>2017</u>	<u>2016</u>
		<i>(in thousands of dollars)</i>
Defunct power stations (Note 8)	\$ 8	\$ 135
Sale proceeds related to Fort Erie land transaction	314	321
Other	<u>1,961</u>	<u>860</u>
	<u>\$ 2,283</u>	<u>\$ 1,316</u>

Fort Erie land transaction obligation

In fiscal 2009, the Commission and the Peace Bridge Authority ("PBA") entered into an agreement to transfer parcels of land. The PBA acquired a 5.952 acre parcel located in Fort Erie from the Commission for \$ 2,021,206. The Commission acquired an option for \$ 670,000 plus an annual sum of \$ 7,300 adjusted for inflation, to receive 1.973 acres of river front property located at the end of Jarvis Street in Fort Erie from the PBA. The agreement calls for the net proceeds to the Commission in the amount of \$ 1,351,206 to be spent on a) funding improvements at Old Fort Erie which are intended for the 200th year anniversary of the War of 1812 and b) returning and/or maintaining the Jarvis Street property as parkland.

The net proceeds were recorded as part of deferred revenue on the Statement of Financial Position. To date approximately \$ 996,000 from these proceeds have been spent on the capital works project for the renovation of Old Fort Erie and approximately \$ 47,000 has been spent on the Jarvis Street property maintenance. As of March 31, 2017, approximately \$ 314,285 remains for use in 2018 and beyond.

5. Deferred capital funding

	<u>2017</u>	<u>2016</u>
		<i>(in thousands of dollars)</i>
Deferred capital funding		
Beginning of year	\$ 26,390	\$ 26,438
Received during year for capital projects	3,850	1,450
Amortization	<u>(1,706)</u>	<u>(1,498)</u>
End of year	<u>\$ 28,534</u>	<u>\$ 26,390</u>

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

6. Long term financing

	<u>2017</u>	<u>2016</u>
		<i>(in thousands of dollars)</i>
Unsecured fixed rate term loan requiring blended payments of principal and interest of \$ 2,640,907 per annum, bearing interest at 5.06% through to April, 2027	\$ 21,951	\$ 23,400
Unsecured fixed rate term loan requiring blended first annual payment of \$ 543,418 and then payments of \$ 569,965 per annum thereafter, bearing interest at 5.07% through to April, 2027	4,553	4,876
The Commission has an option to purchase land requiring annual payments of \$ 7,300 until January, 2028 (note 4)	88	95
	<u>\$ 26,592</u>	<u>\$ 28,371</u>

The principal payments of the long term financial obligations due in the next five fiscal periods are as follows:

2018	\$ 1,877
2019	1,972
2020	2,071
2021	2,173
2022	2,285

7. Post-employment benefits

Defined termination benefits

The Commission provides a defined employee future benefit, payable on termination to certain full time employees with a minimum of five years of service. The benefit is calculated on the basis of one week's remuneration, at the time of termination, for every year of full time service provided to the Commission to a maximum of twenty-six weeks. The accrued benefit liability as at March 31, 2017 is \$ 3,121,208 (2016 - \$ 3,557,888).

The Commission requires that an actuarial valuation of the post-employment benefits be conducted every three years. The last valuation was completed for the year ended March 31, 2016 with extrapolations through to 2019 and updated on March 29, 2017. The latest valuation reflects approved changes by the Commission regarding eligibility and maximum amounts of the benefit payable upon termination.

The actual obligation as at March 31, 2017 is \$ 2,331,209 (2016 - \$ 2,674,097) which is the actuarial valuation for March 31, 2017 adjusted for the actual benefits paid of \$ 609,558, incorporated in an actuarial update provided dated March 29, 2017.

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

7. Post-employment benefits (continued)

Defined benefit plan information	2017	2016
		<i>(in thousands of dollars)</i>
Employee benefit plan assets	\$ Nil	\$ Nil
Employee benefit plan liabilities	3,121	3,558
Employee benefit plan deficit	\$ 3,121	\$ 3,558
Benefit obligation recognized on the Statement of Financial Position		
Benefit obligation, beginning of period	\$ 3,558	\$ 3,697
Expense for the year	173	183
Benefits paid during the period	(610)	(322)
Benefits obligation, end of period	\$ 3,121	\$ 3,558
The net benefit expenses is as follows:		
Current service cost	\$ 163	\$ 170
Interest cost	104	117
Amortization of actuarial gain	(94)	(104)
	\$ 173	\$ 183

The main actuarial assumptions applied in the valuation of the defined benefit plan are as follows:

- Interest (discount) rate – the accrued obligation and the expense for the period were determined using a discount rate of 4.25% (2016 – 4.25%).
- Salary levels – future salary and wage levels were assumed to increase at 2% per annum.

These assumptions were reviewed in this current period.

Pension benefits

The Commission provides pension benefits for all its permanent employees (and to non-permanent employees who elect to participate) through the Public Service Pension Fund ("PSPF") and the Ontario Public Service Employees' Union Pension Fund ("OPSEU Pension Fund"). These are defined benefit pension plans for employees of the Province and many provincial agencies. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU Pension Fund, determines the Commission's annual payments to the funds. As the sponsors are responsible for ensuring that the pension funds are financially viable, any surpluses or unfunded liabilities arising from statutory actuarial funding valuations are not assets or obligations of the Commission. The Commission's annual payments of \$ 2,316,697 (2016 – \$ 2,318,548), of which \$ 1,158,349 (2016 – \$ 1,159,274) represents the employees' portion, are included in the administrative and police expense on the Statement of Operations.

The cost of post-employment, non-pension benefits are paid by the Province and therefore are not included in the Statement of Operations.

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

8. Power plant stabilization obligation

The Province of Ontario directed the Commission to accept ownership of three former electricity generating power stations all located within Commission lands.

The Toronto Power Generating Station ("TPGS") and the Ontario Power Generating Station ("OPGS") were transferred by Ontario Power Generation Inc. ("OPG") to the Commission at no cost in August, 2007. As part of the terms of transfer of TPGS and OPGS, OPG was to undertake certain structural and environmental work to ensure that the buildings were no threat to the public. The Canadian Niagara Power Generating Station ("CNPGS") previously owned by Fortis Ontario was transferred April 30, 2009.

The Ministry of Tourism engaged the services of an architectural firm (The Ventin Group Inc.) to ensure that the original Government Directive governing the initial transfer was complied with and to identify work and related costs required to "stabilize and mothball" all the facilities until an ultimate use for the buildings can be determined. The Ventin Group identified the remaining lead paint at the TPGS and OPGS as a deficiency which OPG should have resealed or encapsulated after cleaning. The Ventin Group reported that there are substantial costs required to bring the three power stations to what would be considered a "mothball" state. Therefore, additional costs would be required to bring these buildings to a "development ready" state. Further, there are in existence certain secondary structures related to TPGS and OPGS that were not accounted for in the original Government Directive that will result in additional remediation costs at some point in the future.

The Commission is of the belief that the acceptance of these power generating stations will require a significant infusion of funds that is beyond its capacity to meet. As at March 31, 2017, ongoing discussions with the Province have not resulted in any assurance that the Commission will not be responsible for any future costs. Any costs that are expected to be incurred for the purposes described above will not commence without funding received from the Province.

VFA, Inc. has reviewed the infrastructure through site visits and prepared estimates using standard engineering formulas. Further, they have provided the Commission with their assessment and a requirements list report providing costs for each component of stabilization required, as well as the timing of when these costs should be incurred. Commission engineering staff have reviewed the list and categorized the costs by year according to urgency and based on expected available funding, with the most urgent requirements addressed over the next two years. In addition, the Commission undertook several studies to determine critical underground infrastructure that needs replacing, including seismic studies, review of intake gates, geophysical and geotechnical settlement and a stability investigation.

The stabilization obligation as of March 31, 2017 has been calculated to be \$ 29,414,141 (2016 - \$ 29,076,363). This is an increase of \$ 337,778 from 2016 and has been recorded in the Statement of Operations.

This obligation represents the Commission's best estimate of the costs required to "stabilize and mothball" the three power stations based on the information noted above. The Commission estimates that this work could take approximately four years to complete and estimates the costs to increase by 1.5% per year, being the five year average industrial construction inflation rate according to Statistics Canada.

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

8. Power plant stabilization obligation (continued)

	<u>2017</u>	<u>2016</u>
		<i>(in thousands of dollars)</i>
Power plant stabilization obligation		
Beginning of year	<u>\$ 29,076</u>	<u>\$ 28,837</u>
Increase in present value of obligation	<u>709</u>	704
Actual work performed during year	<u>(371)</u>	<u>(465)</u>
Net increase in power plant stabilization obligation	<u>338</u>	<u>239</u>
End of year	<u>\$ 29,414</u>	<u>\$ 29,076</u>

A capital asset has not been recorded for these properties as there is an impairment in their value, which has been documented in the various studies carried out to date.

As at October 31, 2009, the Commission had received \$ 1,550,000 in funding from the Ministry of Tourism, Culture and Sport to assist in the “stabilizing and mothball” process. Approximately \$ 7,800 of this funding remains for use in 2018 and beyond. The actual work performed in 2017 was funded from other grants received from the Province.

Actual work performed in 2017 of \$ 371,254 was completed of which \$ 317,714 was funded from grants received from the Province.

The Commission has incurred annual costs related to maintenance and security for all sites and has recorded them in the Statement of Operations and are included in the maintenance expense.

The Commission has engaged the services of The Ventin Group Inc. to review existing studies in order to update the requirements necessary to bring the power plants to a development ready state. This process is expected to continue in 2018. Reductions to the Power Plant Stabilization Obligation will occur as actual work is completed.

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

9. Liabilities for contaminated sites

The Commission reports environmental liabilities related to the management and remediation of any contaminated sites where the Commission is obligated or likely obligated to incur such costs. Currently no such contaminated sites have been identified and therefore no liability has been recorded.

The Commission's ongoing efforts to assess contaminated sites may result in future environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the Commission's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and reasonably estimable.

10. Tangible capital assets

			<u>2017</u>	<u>2016</u>
			Net	Net
	Cost	Accumulated Depreciation	Book Value	Book Value
Land	\$ 14,359	\$ -	\$ 14,359	\$ 14,359
Land improvements	17,135	-	17,135	17,135
Building, roadways and structures	241,819	121,934	119,885	118,341
Equipment and furnishings	44,148	39,406	4,742	4,297
Vehicles	4,887	3,160	1,727	975
	322,348	164,500	157,848	155,107
Capital works in progress	765	-	765	225
	<u>\$ 323,113</u>	<u>\$ 164,500</u>	<u>\$ 158,613</u>	<u>\$ 155,332</u>
Equipment under capital lease included above	<u>\$ 69</u>	<u>\$ 63</u>	<u>\$ 6</u>	<u>\$ 13</u>

Amortization of tangible capital assets

	Budget 2017	Actual 2017	Actual 2016
			(in thousands of dollars)
Amortization of income producing assets	\$ 4,443	\$ 4,230	\$ 4,428
Amortization of non-income producing assets	4,590	4,524	3,931
	<u>\$ 9,033</u>	<u>\$ 8,754</u>	<u>\$ 8,359</u>

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

11. Accumulated surplus

	2017	2016
		<i>(in thousands of dollars)</i>
Operating surplus (deficit)	\$ 2,633	\$ (6,789)
Investment in tangible capital assets	130,079	128,942
Unfunded		
Long term debt	(26,592)	(28,371)
Post-employment benefits	(3,121)	(3,558)
Power plant stabilization obligation	(29,414)	(29,076)
	(59,127)	(61,005)
Accumulated surplus	\$ 73,585	\$ 61,148

Surplus funds

Pursuant to Section 16(2) of the Niagara Parks Act, any surplus moneys shall, on the order of the Lieutenant Governor in Council, be paid to the Minister of Finance and shall form part of the consolidated revenue fund. As of March 31, 2017 no surplus moneys have been recorded as a liability to the Minister of Finance.

12. Commitments

The Commission has committed to approximately \$ 13,288,000 in capital works projects in the next year.

The Commission has two agreements with a franchisor requiring the payment of service fees of 4.5% of gross sales and advertising and marketing fees of 2.5% of gross sales. The terms of the agreements are ten years, expiring in April, 2017 and October, 2022.

The Commission leases vehicles, equipment and premises under operating leases expiring in 2018. The total obligation under operating leases amounts to approximately \$ 8,603 in 2018.

13. Contingencies

The Commission is in litigation pertaining to certain claims for which the likelihood of loss is not determinable and the amount not reasonably estimable. Accordingly, no provision for these claims is reflected in the financial statements.

THE NIAGARA PARKS COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2017

14. Interest expense - net	Budget 2017	Actual 2017	Actual 2016
			<i>(in thousands of dollars)</i>
Interest revenue	\$ (30)	\$ (138)	\$ (48)
Loan interest expense	1,513	1,420	1,550
	<u>\$ 1,483</u>	<u>\$ 1,282</u>	<u>\$ 1,502</u>

15. Statement of cash flows	2017	2016
		<i>(in thousands of dollars)</i>
Changes in working capital components include		
Accounts receivable	\$ (3,236)	\$ (302)
Inventories – saleable and other	100	274
Accounts payable	1,936	2,064
Accrued payroll	52	117
Deferred revenue	967	(102)
Prepaid expenses	751	(357)
	<u>\$ 570</u>	<u>\$ 1,694</u>

Cash and cash equivalents consist of:

Cash on hand	\$ 424	\$ 395
Cash balance with banks (bank indebtedness)	7,783	(2,180)
	<u>\$ 8,207</u>	<u>\$ (1,785)</u>

THE NIAGARA PARKS COMMISSION

Schedule of Tangible Capital Assets

For the year ended March 31, 2017

	Land	Land Improvements	Buildings, Roadways & Structures	Equipment & Furnishings	Vehicles	Capital Works in Progress	2017	2016
<i>(in thousands of dollars)</i>								
Cost								
Beginning of year	\$ 14,359	\$ 17,135	\$ 233,117	\$ 42,496	\$ 4,086	\$ 225	\$ 311,418	\$ 304,582
Add additions	-	-	8,477	1,909	937	765	12,088	7,016
Less disposals	-	-	-	(257)	(136)	-	(393)	(180)
Transfers of capital works in progress	-	-	225	-	-	(225)	-	-
End of year	14,359	17,135	241,819	44,148	4,887	765	323,113	311,418
Accumulated amortization								
Beginning of year	-	-	114,776	38,199	3,111	-	156,086	147,907
Add amortization	-	-	7,158	1,415	181	-	8,754	8,359
Less disposals	-	-	-	(208)	(132)	-	(340)	(180)
End of year	-	-	121,934	39,406	3,160	-	164,500	156,086
Net book value	\$ 14,359	\$ 17,135	\$ 119,885	\$ 4,742	\$ 1,727	\$ 765	\$ 158,613	\$ 155,332

THE NIAGARA PARKS COMMISSION

Schedule of Expenses by Object

For the year ended March 31, 2017

(in thousands of dollars)

	Budget 2017	Actual 2017	Actual 2016
Cost of goods sold	\$ 12,008	\$ 14,871	\$ 13,265
Salaries, wages and benefits	47,159	48,399	46,343
Sales and other	3,448	3,950	3,466
Equipment repairs and maintenance	4,405	4,652	4,451
Materials and supplies	2,651	2,700	2,568
Advertising and promotion	2,793	3,050	2,684
Facilities	7,025	6,772	6,793
Administrative	2,980	3,067	3,274
Special projects	-	520	-
	<u>\$ 82,469</u>	<u>\$ 87,981</u>	<u>\$ 82,844</u>

A wide-angle photograph of Niagara Falls at sunset. The sky is a mix of orange, pink, and purple, with some clouds. The water of the falls is white and turbulent, creating a large amount of mist. In the foreground, the dark, rocky banks of the river are visible. A dotted rectangular frame is superimposed on the upper half of the image, containing the text 'WELCOME TO NIAGARA PARKS ADVENTURE BEGINS HERE'. To the left of the frame, several birds are flying in the sky.

WELCOME TO

NIAGARA PARKS

ADVENTURE BEGINS
HERE