THE ST. LAWRENCE PARKS COMMISSION
AN AGENCY OF THE GOVERNMENT OF ONTARIO

Parks of the St. Lawrence

St. Lawrence Parks Commission

ANNUAL REPORT

2022 / 2023

TABLE OF CONTENTS

ST. LAWRENCE PARKS COMMISSION

CORPORATE OVERVIEW

ABOUT

St. Lawrence Parks Commission (SLPC) is one of the largest tourism destinations in Eastern Ontario, extending 200 km from Kingston to near the Quebec border. Its facilities include thousands of acres of park land and attractions on the St. Lawrence Heritage Corridor that provide a major source of recreational opportunities for residents and visitors to the Eastern Ontario Gateway to Ontario. SLPC provides diverse experiences and draws more than 680,000 visitors every year with an estimated annual economic impact of more than $80,000,000.

Properties include:

- Upper Canada Village
- Fort Henry National Historic Site of Canada
- Kingston Pen Tours
- Crysler Park Marina
- Upper Canada Golf Course
- Upper Canada Migratory Bird Sanctuary
- Parks of the St. Lawrence: 10 campgrounds and 6 beach day-use picnic areas including the Long Sault and Thousand Islands Parkways

These businesses are supported by the agency's central services, including Maintenance and Operations; Environment and Land Planning; Marketing, Communications and Guest Relations; and Corporate Services.

VISION

Tourism, recreation, heritage, and cultural experiences in Eastern Ontario are sustained, enjoyed and accessible today, tomorrow and for future generations.

MANDATE

To provide tourism, cultural, educational, and recreational opportunities for residents of Ontario and visitors to the province through the presentation and interpretation of historic attractions and the development and operation of parks, campgrounds, scenic parkways, and recreational areas.

SLPC will support the Ministry of Tourism, Culture and Sport's (MTCS) efforts to strengthen Ontario's tourism industry. As a key economic driver in Eastern Ontario, SLPC will focus efforts on new product development and program enhancements that will draw new and returning visitors to the region.

MISSION

The purpose of the St. Lawrence Parks Commission is to provide, preserve and advocate for our parks, our heritage assets and our environment through operations and partnerships that contribute to an exceptional guest experience and economic prosperity in the region.

LEGISLATIVE AUTHORITY, GOVERNANCE AND FUNDING

SLPC operates under the authority of the *St. Lawrence Parks Commission Act*, and reports to the provincial government through the Minister of Tourism, Culture and Sport. The Board of Commissioners' governance responsibilities include overseeing SLPC's business affairs by making policy decisions and setting strategic direction; establishing land use regulations; approving budget priorities; translating government policy into agency policy; ensuring wise use of public assets; and representing SLPC within the community.

SLPC supports its operations through:

- Fees charged at its attractions, retail outlets, and revenue generated via concessionaires;
- An allocation from the Government of Ontario; and,
- Agreements, donations, sponsorships, and partnership advertising funds in support of its facilities and programming.

CORE PRINCIPLES, VALUES AND BELIEFS

SLPC's greatest future strength must be built upon leadership and motivated people, with Commissioners, staff and communities working together. The Commission is:

- Clear that the staff at SLPC are our number one asset and priority. Together, we will create a racially equitable and inclusive workplace in which all employees feel respected and treated fairly, where diversity is acknowledged and valued, communication is open and respectful, and there is a culture of empowerment and cooperation.
- Always working with our internal and external stakeholders to maximize resources that drive the collective impact of our efforts.
- Diligent about respecting and protecting the environment while promoting increased awareness and education to create a strong culture of environmental sustainability.

- Committed to the transparent, accountable, and sustainable management of our resources, self-generated and those provided by the Ministry of Tourism, Culture and Sport (MTCS).
- Dedicated to the preservation of Eastern Ontario's unique heritage, natural and cultural assets.
- Proactively and conscientiously responsive to opportunities that strengthen tourism, recreation, education and experiences for the region's residents and visitors.

OBJECTIVES

- Develop and invest in employees and recognize them as the number one asset in the current and future success of SLPC.
- Expand and refresh infrastructure to meet current and future growth.
- Maintain inclusive and transparent relations within our organization, with our communities and with our guests.
- Promote and incorporate environmentally sustainable practices throughout SLPC.
- Improve SLPC'S overall financial performance through thoughtful, accountable and transparent progress towards operational self-sustainability.

ST. LAWRENCE PARKS COMMISSION BOARD OF COMMISSIONERS 2022/23

CHAIR:
Bob Runciman
Brockville
January 17, 2022 – January 16, 2025
2022/23 Remuneration: $3,150

VICE-CHAIR:
Bruce Wylie
Brockville
November 13, 2022 – November 12, 2025
2022/23 Remuneration: $2,625

COMMISSIONERS:

Evonne Delegarde
Iroquois
June 18, 2020 – June 17, 2023
2022/23 Remuneration: $2,100

Tammy Hart
Newington
April 4, 2019 – April 3, 2022
2022/23 Remuneration: $150

Pierre Santoni
Mallorytown
March 7, 2021 – March 6, 2024
2022/23 Renumeration: $0.00

Gordon Stencell
Kingston
October 25, 2019 – October 24, 2022
2022/23 Remuneration: $0.00

Guy Tondreau
Cornwall
June 28, 2020 – June 27, 2023
2022/23 Remuneration: $1,050

Nigel White
Brockville
December 10, 2020 – December 9, 2023
2022/23 Remuneration: $2,550

Walter Viner
Kingston
January 19, 2023 – January 18, 2026
2022/23 Remuneration: $0.00

Todd Lalonde
Cornwall
September 29, 2022 – September 28, 2025
2022/23 Remuneration: $0.00

Michael Bird
Brockville
March 4, 2022 – March 3, 2025
2022/23 Remuneration: $300

Anne Johnston
Elizabethtown
March 4, 2022 – March 3, 2025
2022/23 Remuneration: $450

SENIOR LEADERSHIP TEAM 2022/23

Hollee Kew
General Manager & CEO

Sukrit Chopra (A)
Executive Administrative Assistant to the General Manager & CEO and Ministry Liaison

Geoff Waycik
Director, Historic Sites

Kathryn Lowe / Jaclyn Angel (A)
Manager, Fort Henry National Historic Site of Canada

Tracey Ogilby
Manager, Upper Canada Village

Greg Gouthro (A)
Manager, Kingston Pen Tours

Jennifer Tarini / Greg Faaren (A)
Director, Parks and Recreation

Robert Hamilton / Stephan Parisien
Manager, Maintenance and Operations

Lyle Harper
Regional Parks Operations Manager

Tim Robins
Manager, Recreation & Leisure Facilities

Greg Faaren
Manager, Environment and Land Planning

Al Adibi
Director, Corporate Services

SENIOR LEADERSHIP TEAM 2022/23

Drew Smith
Manager, Finance

William Wong
Manager, Information Technology

Shannon Moulton
Human Resources Coordinator

Krista Doyle
Director, Marketing, Communications & Guest Experience

Heather Kearney
Manager, Guest Relations and Corporate Communications

THE 2022/23 FISCAL YEAR

MESSAGE FROM THE CHAIR HON. BOB RUNCIMAN and GENERAL MANAGER & CEO HOLLEE KEW

2022/23 has been a significant year of accomplishment.

By enhancing our Board governance, investing in our staff, enhancing collaboration with our local municipalities and stakeholders, and strategically strengthening our product offerings using smart business, lean practices, and continuous improvements, SLPC is yielding excellent results.

We are generating an operating profit year-over-year, despite the challenges faced by all businesses in these unprecedented times.

Even with high fuel prices, guests visited our parks and attractions from across the country in 2022, with international travellers also spotted on-site once more. Other tourism and related industry organizations also benefitted from this trend with hotel rooms filling up, restaurants packed and guests coming back to our region. There is no doubt that 2022/23 was an exciting time for tourism recovery in Eastern Ontario.

With this strong tourism industry recovery bolstering our experiences and by maintaining a keen attention to expense management, we have again outperformed budgets and key performance measures this year.

Attendance at historic sites exceed expectations and budgeted numbers for the core season, rebounding to 65% (UCV), 78% (FH) and 85% (KP) of 2019/20 attendance numbers.

Campgrounds and beaches exceeded their revenue forecasts, generating $5.8M in revenue and realizing a total profit of $2.8M.

This was a year of firsts… and seconds.

The first season in SLPC history where a single campground surpassed $1M of total revenue.

The season where we sold out the Tattoo event at Fort Henry, back for the first time since 2019.

The second season in a row Fort Henry and Kingston Pen Tours were awarded TripAdvisor Travellers' Choice Awards while Upper Canada Golf Course was awarded its second consecutive award for Top Ten Best Course Under $100 in Canada (Golf Now, NBC Golf).

A groundbreaking year, literally, for our infrastructure revitalization strategy, with our Brown's Bay Beach revitalization project nearing total completion, with a newly reconstructed portion of the seawall, including accessible entry points to the water, new septic system and new perched beach already done and the new bayfront building in the final stages of construction.

This focus on revitalizing our beyond-useful-life infrastructure is something we are passionate about with the belief that better infrastructure will contribute to further improving SLPC's operational performance and moving the agency toward a position of greater self-sustainability. Infrastructure is a key piece of our strategic plan, *Strengthening our Foundation for a Sustainable Future* (2021-2026).

With strong governance from our Board and active Committees, the dedication of the management team and staff, and the support from our Ministry, we are fulfilling the strategic objectives of that plan, accomplishing our lofty list of deferred maintenance and infrastructure projects which have all have contributed to our success.

In 2022/23, SLPC played a critical role in the recovery of the tourism industry in our local communities, delivering on our mandate to generate lasting visitor growth and drive economic prosperity in the region. Through our programming and products, we were able to support communities across Eastern Ontario while providing families and tourists with meaningful and memorable recreational, cultural and educational experiences.

We already have our sights trained on the 2023 tourism season, anticipating the best year since the start of the pandemic with an eye to surpass 2019 attendance and revenue numbers as we deliver government priorities for tourism in Eastern Ontario.

The Honourable
Bob Runciman, Chair,
St. Lawrence Parks Commission

Hollee Kew,
General Manager & CEO,
St. Lawrence Parks Commission

STRATEGIC PRIORITIES

SLPC's 5-year strategic plan and 10-year road map, developed through a comprehensive and inclusive strategic planning exercise which engaged front-line staff, municipal and community partners, and SLPC's valued guests, serves as the Commission's foundational strategy. The principal objectives focus on investment in employees, addressing SLPC's aging infrastructure, cultivating community partnerships and environmental stewardship, and optimizing resources to move the organization into the future.

These strategic objectives set the overall direction for the Commission and the business and functional units use these strategic pillars as the framework for all their annual individual strategies and goals.

EMPLOYEE INVESTMENT

- Organizational culture
- Health and wellness
- Employee experience focus
- Human resources plan

INFRASTRUCTURE

- Revitalization
- Sewage and water connections
- Operational upgrades
- Technology improvements

CONNECT & COLLABORATE

- Community connections
- Land, cultural and historical stewardship
- Organizational cohesion
- Regional tourism leadership
- Board engagement

ENVIRONMENTAL SUSTAINABILITY

- Environmental plan
- Sustainable system implementation
- Environmental understanding
- Carbon footprint reduction

FINANCIAL SUSTAINABILITY

- Financial plan
- Invest in attractions and facilities

- New market development
- Funding optimization
- Continuous improvement

2022/23 GOVERNMENT MANDATE

In addition to the strategic priorities and supporting pillars, SLPC is also guided by an annual mandate letter. The mandate letter is correspondence from the Minister of Tourism, Culture and Sport (MTCS) to the SLPC Board Chair, outlining the Minister's broad expectations for the Commission with respect to service and performance priorities for the coming fiscal year.

These priorities and expectations serve as a reference point for the Commission's strategic planning framework and business goals.

In 2022/23 the Minister asked that SLPC focus on:

- **Competitiveness, Sustainability and Expenditure Management**, including identifying and pursuing, efficiencies, saving, opportunities for revenue generation, innovative practices, and/or improved program sustainability.
- **Transparency and Accountability**, including identifying appropriate skills, knowledge and experience needed to effectively support the Board's role in agency governance and accountability.
- **Risk Management**, including developing and implementing an effective process for the identification, assessment, and mitigation of risks and emergency response.
- **Workforce Management**, including optimizing organizational capacity to support the best possible service delivery.
- **Data Collection**, including leveraging available or new data solutions to inform outcome-based reporting and improve service delivery.
- **Digital Delivery and Customer Service**, including exploring and implementing digitization or digital modernization strategies for online service delivery.
- **Diversity and Inclusion**, including developing and encouraging diversity and inclusion initiatives with the goal of creating an inclusive environment which is equitable, accessible, anti-racist, diverse and free of harassment.
- **COVID-19 Recovery**, including supporting recovery efforts following COVID-19 and pursuing evolving service delivery methods.

2022/23 BUSINESS GOALS

Under the preceding strategic framework, SLPC set the following business goals for 2022/23:

PURSUE PANDEMIC RECOVERY

- Establish a recovery plan to bring Upper Canada Village and Fort Henry back to pre-pandemic operations, visitation, and staffing levels.
- Rebuild product offerings at SLPC historic sites to the world-class level it was prior to the COVID-19 pandemic.
- Re-engage with Ontario Parks programming and resume in-house programming at the Parks of the St. Lawrence.
- Rebuild sponsorship revenues for business units as recovery continues by matching opportunities with prospect needs.
- Prioritize domestic travel trade business and opportunities with domestic tour operators in the short-term.

INCREASE SELF-SUFFICIENCY

Develop New Markets

- Launch the weddings, celebrations and venue rentals centralized team to assist SLPC in taking advantage of these profit streams, working closely with all business units to create and deliver offerings at sites across the organization.
- Evaluate programming across the organization and replicate success at other sites where possible.
- Increase investment in marketing for the core season at Upper Canada Village to attract families and visitors.
- Grow Kingston Pen Tour's existing mutually beneficial partnerships with Tourism Kingston and the Kingston Film Office.
- Expand Crysler Park Marina storage business, increasing revenue opportunities by maximizing storage space.
- Increase tournaments, charity events, venue rentals and recreation activity availability at the Upper Canada Golf Club.
- Explore accessibility enhancements to all sites, such as accommodations, alternative technology, online/virtual experiences and infrastructure to generate new business opportunities.
- Increase revenues by attracting green tourism through the implementation of environmental stewardship programming.
- Build on the emerging St. Lawrence Seaway Cruise market offering SLPC experiences as part of cruise excursion packages.
- Prospect larger corporate sponsorship opportunities that would support broader SLPC initiatives around environmental plans and sustainability.

Optimize Funding

- Develop a robust financial plan with benchmarks and a cost-benefit model to ensure future financial sustainability that balances in-year requirements with long-term plans.
- Explore developing a land trust to maximize potential of land assets.

- Create plans for a charitable foundation to grow funding opportunities for major capital projects.
- Align marketing initiatives, intelligence/data collection to support informed and strategic decisions and engage in emerging media trends.
- Deliver a refreshed five-year Human Resources Plan, including a robust succession plan and multi-year training, that supports directions of the SLPC Strategic Plan.

CREATE A STRONG CULTURE OF ENVIRONMENTAL SUSTAINABILITY

- Develop an environmentally conscious business model that views all aspects of operations through the lens of environmental sustainability and document in an SLPC environmental plan.
- Design and build environmentally conscientious buildings, including the new collections storage facility, a new golf club facility, new washrooms and beach changeroom/canteen buildings with the goal of reducing carbon emissions and energy consumption.
- Renew focus on the tree canopy, preserving historical tree varieties at historic sites, improving overall habitat for SLPC trees and ensuring regular maintenance of trees throughout campsites as essential infrastructure.
- Install modern sewer and water infrastructure and technologies to reduce potential for environmental spills and pollution.
- Optimize digital tools to reduce printing marketing collateral.
- Reduce environmental footprint and greenhouse gas emissions through:
    - infrastructure improvements (such as electric vehicle charging stations and high-efficiency upgrades),
    - vehicle sharing and optimizing remote work,
    - office supply management and digitization of processes,
    - cloud-hosted server data centres,
    - environmentally friendly maintenance materials,
    - innovative recycling programs, waste reduction and diversion activities and;
    - investments in green technologies.

REVITALIZE INFRASTRUCTURE AND IMPROVE FACILITIES

- Build a strong capital plan through robust business cases, prioritizing the most urgent projects to address health, safety, environmental and compliance issues as well as those that have significant operational impacts.
- Implement the capital plan to apply for multi-year capital investments.
- Develop a new facility at the Upper Canada Golf Course to better serve guests while reducing maintenance costs.
- Complete first phase of Brown’s Bay Beach restoration and move forward with Mille Roches Beach project as part of an overall process to upgrade SLPC parks operating with original infrastructure which is beyond its useful life.

- Improve management of SLPC infrastructure and reduce potential for failures through proactive inspection programs and site maintenance standards.

Upgrade Operational Supports

- Procure a long-term ticketing and reservation point of sale system for Historic Sites properties that meets current needs while anticipating future needs.
- Complete installation of emergency standby power generator at Fort Henry.
- Implement business-grade Rural Broadband Internet, with additional expansion of fibre optic and wireless broadband, including a back-up internet plan for guests to use if primary source goes down to incorporate service redundancy.

STRENGTHEN CULTURAL AND HISTORICAL STEWARDSHIP

- Through the SLPC Anti-Racism Action Plan, continue to build and grow an organizational culture that actively commits to anti-racism actions for its staff and community, which are woven into the fabric of the entirety of the SLPC.
- Lead a diverse, inclusive interpretation of Upper Canada in the 1860s.
- Enrich Kingston Pen Tours programs through the inclusion of the "inmate voice," including those of over-represented incarcerated populations.
- Build a collections storage facility that meets or exceeds MTCS collections guidelines, to ensure the storage of one of the most diverse and complete collections of artefacts of 19th century life in Ontario.
- Develop recruitment standards that attract and secure diverse talent.

DELIVER EXCEPTIONAL GUEST SERVICE

- Increase revenue through improving the guest experience online and in-person for all properties.
- Focus new camping reservation system implementation on optimizing self-serve digital transactions and back-end processes and reducing paper processes, where suitable.
- Improve guest satisfaction and increase revenue through consistent standards.
- Collect and analyze customer data to inform decision-making on guest relations staffing, office hours and prioritization of communication channels.
- Push QR codes to enhance guest experiences, e.g., touchless transactions and self-serve options.
- Provide updated guest relations (customer service excellence) training for staff across business units.
- Increase on-site availability of public internet resources and access to social media.

2022/23 SIGNIFICANT FACTORS

In 2022/23 all units reported trouble recruiting and retaining staff, resulting in the same staffing shortages at SLPC that were widely reported in the tourism and hospitality industries throughout Ontario and Canada last year. At times this required operational and customer service compromises which affected service levels and program offerings and may have diminished revenue potential.

Brown's Bay Beach and Campground were both closed for the entirety of the 2022/23 season as the park underwent revitalization. It had been originally anticipated that the park could remain open throughout construction, however, it became clear that the conditions were not safe for guests or staff, so it was closed and could not earn any revenue.

Changes to the Ontario Electrical Safety Code had a significant impact on camping operations in the 2022/23 season. More than one hundred sites were identified as affected by the amendment which requires greater distance between structures and powerlines than was previously required. While 23 of those sites had to be closed for the season, the Parks team implemented interim measures to make the other sites usable while still complying with the code. Nearly 200 reservations had to be moved or refunded and there was a negative impact on the projected revenue for the operating season of approximately $65,000.

Extreme weather was a significant factor in 2022/23. Opening weekend in 2022, a derecho, a long-lived, fast-moving thunderstorm that causes widespread wind damage, ravaged parts of southern Ontario into southwestern Quebec, causing deaths, massive property damage, many downed trees and power outages, affecting guests staying in campgrounds as well as SLPC properties in the eastern end of the corridor, including Crysler Beach which remained closed until July 16. Wild winter storms resulted in three closed nights at Alight at Night and major tree damage at the golf course causing power and pump issues. The financial impact of these storms included clean up costs, lost revenue and staff time to issue refunds, cancellation communications and to handle complaints. The operational impact has continued into the 2023/24 season and it is clear that extreme weather has the potential to be an increasingly significant factor to SLPC operations.

Low water levels over the summer had an impact on boating, camping and basic water access at the marina and campgrounds and beaches in the eastern end of the corridor. The marina has undertaken major construction projects to create the depth needed to continue operations, while some boat launches at campgrounds and beaches, as well as swimming areas, had to close at times during the season.

High gas prices had a negative effect at the marina resulting in softer than anticipated transient boating stays and monthly transient rentals, as well as delayed season starts for seasonal boaters. They contributed to higher operating costs for fleet vehicles and even resulted in multiple fuel thefts, particularly at the golf course.

Beyond useful-life infrastructure continues to be a significant risk factor, with septic system failures and maintaining drinking water systems also resulting in significantly increased operating costs for sewage operations, repairs, annual emergency pumping and meeting increased regulatory requirements. These maintenance costs are approximately $500,000 annually.

The permanent power disruption event at the Upper Canada Village site which occurred in Q4 of 2021/22 was a significant factor for the entirety of 2022/23 and is ongoing. Most of the existing underground infrastructure was installed in 1959 and had an operational expectancy of 30-years. Replacing this infrastructure is a challenging undertaking. The costs of renting generators and purchasing diesel fuel to power the site daily and maintain operations have been substantial, resulting in an additional $1,365,000 of unplanned operating expenses for the fiscal year. Infrastructure Ontario is managing the project to replace the electrical infrastructure and at year-end, the design and build procurement had closed. Estimated at multi millions, the repair/replacement costs and daily operating costs will continue to be a significant factor in 2023/24, affecting SLPC operating expenses and Upper Canada Village's operations.

The maintenance of the two scenic parkways continues to be labour intensive with no opportunity for cost recovery. In 2022/23, the community issue of safe but financially and operationally sustainable winter maintenance on the Thousand Islands Parkway Multi-Use Recreational Trail continued to put pressure on staff resources.

2022/23 HIGHLIGHTS

FIRST CAMPGROUND TO EXCEED $1M IN REVENUE

The 2022/23 season proved to be successful for Parks of the St. Lawrence, with McLaren Campground becoming the first campground in the history of SLPC to exceed $1,000,000 in total revenue in a single season. With more than 5,000 reservations, more than 63,700 guests through the gates and nearly 16,000 retail items sold, McLaren generated $1,100,000 in reservation and retail revenue in 2022/23.

CAMPING RESERVATIONS LAUNCH

The Parks of the St. Lawrence online reservations website opened for reservations at 9 a.m. on February 23 for the 2023 season. Demand was high, with campers storming the digital doors at opening time. Between 9 and 9:30 a.m., there were 3,945 unique visitors to the site, peaking at 2,289 visitors right at 9 a.m. By the end of the first day of sales, there were more than 6,000 reservations in the system. Since 2019, first-day sales have more than doubled thanks to an emphasis on online reservations, enabling more campers to book simultaneously, with the online reservation system processing more than 1,100 transactions in five minutes, versus three minutes to process a single phone transaction. To support guests so they could better compete with other guests reserving at the same time, SLPC published a new parks overview/comparison tool to help guests determine which campground was most suitable for the experience they were seeking, and offered one-on-one camping preparation appointments.

THOUSAND ISLANDS PARKWAY SNOWMOBILE TRAIL & WINTER GROOMING

To enhance safety on the Thousand Islands Parkway Multi-Use Recreational Trail in the winter months, the St. Lawrence Parks Commission (SLPC) launched a pilot project partnership with the Ontario Federation of Snowmobile Clubs (OFSC) District 1 Elizabethtown Snowmobile Club (ESC) to create an OFSC snowmobile trail along the trail in 2022/23. ESC provided trail wardening, signage and grooming services during the winter months, creating a packed snow trail for pedestrians and other sport and recreation users, making the trail safer for all users. This partnership was launched in response to feedback from the community that they wanted a walkable trail and was aimed at discouraging private plowing of the trail which creates safety hazards for users, maintenance issues with the asphalt due to freeze-thaw cycles and could result in liability for those operating the plowing equipment.

BROWN’S BAY BEACH REVITALIZATION

Officially launched in November 2021, the Brown’s Bay Beach multi-year revitalization project completed numerous milestones in 2022/23. Completed revitalization projects include a new perched beach area, a newly reconstructed portion of the seawall, including accessible entry points to the water, and a new and improved septic system, critical to meeting current environmental standards. Construction on the future bayfront building that will house food service and accessible, gender-neutral washrooms and changerooms progressed throughout the winter and will open during the 2023 operating season. Like many of SLPC's campgrounds and beaches, Brown's Bay Beach had been operating with its original infrastructure which was beyond its useful life and in need of replacement. The project marks the first in SLPC's process to upgrade its parks, with beaches as the priority.

SOLD OUT SUMMER CAMPS AT UPPER CANADA VILLAGE

On January 30, 2023, SLPC successfully launched Upper Canada Village's summer camp registration campaign (organic and paid media) with the primary objective of driving registration and increasing awareness of the unique and engaging experiences offered across the four programs. Marketing efforts focused on a multi-channel approach that leveraged the power of email marketing and social media platforms to effectively reach the target audience, resulting in all summer camp spots selling out as of March 12, 2023.

PANDEMIC RECOVERY AT HISTORIC SITES

The pandemic hit Historic Sites especially hard in 2020 and 2021. With restrictions lifting in 2022 and a gradual return to normal, teams cautiously planned for partial recovery for the core season. With the return of an almost full season, strong attendance at Horse Lovers' Weekend and Fall Fair, and some school and camp programs returning, UCV's core programming welcomed more than 100,000 guests over the summer, which represents more than 65% recovery to 2019 numbers. Visitation at Forth Henry this year was almost double the anticipated numbers for this program pushing core programming numbers to more than 44,000 which is about 78% of 2019 numbers. Kingston Pen Tours saw approximately 85% recovery from 2019 numbers, welcoming more than 61,000 guests. Not only did all core programming attendance exceed expectations and budgeted numbers, but there was also a strong retail comeback as well. Upper Canada Village's core season retail numbers exceeded budget by 43% with more than $521,000 in sales and Fort Henry's core season retail ended 55% ahead of budget, achieving $134,000 in revenue.

NEW PROGRAM OFFERINGS AT KP: EXPRESS TOURS & FILM NIGHTS

The Kingston Pen Tours team found opportunities to be responsive to their market and creatively tap into new markets. Noticing that, particularly in July and August, there were tens to hundreds of people daily looking for tickets when the tours were sold out, the team explored opportunities to launch more tours. One approach was to implement the "Express Tour" which was a shorter, 45-minute tour at a reduced rate, visiting sections of the site not normally visited by regular tours, creating more availability. The team also launched a movie series, screening films on four fall evenings in the outdoor areas of KP. These events reached a different audience and gave them a sneak peek at the grounds, hopefully enticing them to return for a tour, while creating an additional revenue stream of nearly $16,000.

HERITAGE FOOD CROPS SHARED WITH AREA FOOD BANKS

Volunteers from Community Food Share and staff from Upper Canada Village collected produce from the Village's heritage gardens and orchards in September to be shared between local foodbanks in Dundas and Stormont counties. In 2022, more than half a tonne of produce was collected during the annual tradition, including 400lbs of potatoes. Several varieties of tomatoes, kale and carrots were harvested along with radishes, bell peppers, cabbage, celery, turnips and beets, all heirloom varieties of vegetables, period specific to the 1860s. The annual gleaning began in 2016 with Community Food Share and Village staff working together to plan to harvest food from the gardens of the Village to be used by area food banks.

TRIPADVISORS TRAVELLERS' CHOICE AWARDS… AGAIN!

For the second year in a row, Kingston Pen Tours and Fort Henry were each awarded a TripAdvisor Travellers' Choice Award. This achievement celebrates businesses that consistently deliver fantastic experiences to travellers around the globe, having earned great traveller reviews on TripAdvisor over the last 12 months.

RESULTS: OPERATIONAL PERFORMANCE

2022/23 RESULTS OVERVIEW

A key over-arching theme in both SLPC's business goals and the 2022/23 government mandate is a focus on creating profit through efficiency, expense management and seeking opportunities for revenue generation. In 2022/23 SLPC:

- Launched "Movie Nights at KP" in the fall of 2022. This four-event night movie series showed popular films with some sort of tie-in to the site. The events brought in 748 attendees, revenues of $16,000, strong retail per caps of $3.67, and a 22% profit margin. The event series was a success, received positive reviews, and has capability to be operated in future years.
- Added the "Express Tour," a 45-minute highlight experience to further meet demand for tours at Kingston Pen Tours KP. Launched in August, the Express Tour received excellent

reviews and interest from many group tour operators and welcomed more than 3,500 guests.

- Generated $80,000 in Pumpkinferno exhibit sales to partner sites Discovery Harbour, and Dynamic Earth.
- Secured the donation of a third Pommier Carriage for Upper Canada Village, which in addition to a value of $9,000, brought the opportunity to add an additional 147 rides during the Alight at Night event and a potential $15,000 in new revenue.
- Collaborated with regional community members, Great Lakes Cruise Association and RTO9 to initiate a regional St. Lawrence Seaway Cruise strategy to better prepare the region for this emerging market with SLPC experiences to be part of cruise excursion packages.
- Reduced IT hardware capital budget requirements through the transition from on-premises to cloud server hosting.
- Developed a well water inspection optimization strategy to optimize and centralize related procedures, which resulted in a cost saving of $19,000 in 2022/23, a decreased demand for administrative and maintenance resources while ensuring compliance with governing regulatory bodies. These annual cost savings will be recurring until municipal water services are installed and inspections at their current capacity are no longer required resulting in far greater savings.
- Launched a new corporate overhead cost allocation model which gives management and the Board better transparency into the true cost of running each individual business unit by fully allocating functional unit costs to them.
- Streamlined wood supply process by introducing a new two-year wood contract that resulted in a better price rate per bag. This process change generated approximately $120,000 more in profit than was generated in wood sales in 2021/22.
- Through documentation of standard operating procedures and product briefs, identified multiple opportunities for process improvements resulting in efficiencies for teams.

Both business planning and government mandate for 2022/23 stressed rebuilding after the COVID-19 pandemic. In 2022/23 SLPC:

- Brought in significantly improved group tour numbers from the two previous pandemic years. More than 70 groups visited Kingston Pen Tours, including school groups, tour operators, bus tours, etc., many with large size groups for a total of more than 1,500 tourgoers. Tour Operators alone accounted for 115 bookings between Fort Henry and Upper Canada Village, accounting for nearly 1,600 guests before even counting the school groups.
- Exceeded core programming attendance expectations and budgeted numbers at all historic sites, with attendance rebounding to 65% (UCV), 78% (FH) and 85% (KP) of 2019 attendance numbers.
- Welcomed more than 48,000 visitors to Pumpkinferno at Upper Canada Village with revenue of $1M, including $110,000 in retail revenue and an overall economic impact to

the region of more than $6,100,000. Fort Henry's Pumpkinferno event welcomed more than 25,000 visitors with revenue of nearly $490,000 for total profit of nearly $296,000.
- Resumed Tattoo and Sunset Ceremony events at Fort Henry, bringing nearly 4,000 guests to evening programming at the Fort for $80,000 in revenue.
- Generated $5,800,000 in total revenue through Parks of the St. Lawrence Campgrounds & Beaches, exceeding revenue forecasts and realizing a total profit of $2,800,000.
- Increased golf memberships sales at Upper Canada Golf Course by 10 and promotional sales by $20,000 year-over-year.
- Realized a 10% increase in retail fuel sales year-over-year at Crysler Park Marina, and significantly greater boat traffic, for an overall 41% increase in fiscal profit year-over-year.

To support the digital mandate from the Minister and enhanced customer service standards, as well as SLPC's own business goals of delivering guest service excellence, in 2022/23 SLPC:

- Moved the seasonal site assignment process into a reservation system and implemented self-serve online booking capabilities. By the payment deadline, 116 extended stay campsites had been renewed through the system, with nearly 70% of campers processing their renewal online. A similar process was undertaken for the new extended stay campsite assignments, with first-come, first-served online reservations.
- Utilized QR codes creating a touchless transaction while elevating the guest experience through self-serve purchase and discovery options.
- Implemented an automated chatbot system automating responses on social media channels during off hours.
- Implemented a cloud-based phone system to facilitate staff in the call centre working from any location, while improving call flow and the use of digital receptionists so guests can get the general information they are looking for without waiting in a queue.

Part of securing financial sustainability is ensuring continued functional operations which requires investment in infrastructure. In 2022/23 SLPC:

- Executed over $6M worth of capital infrastructure improvement projects at the Brown's Bay Beach site, including the replacement of the failing subsurface sewage disposal system, replacement of a portion of the failing sea wall, construction of a new, sustainable perched beach area, and the ongoing construction of a new, accessible and gender-neutral washroom and canteen facility.
- Completed the dredging of the Crysler Park Marina harbour and re-constructed the boat launch ramp to increase revenue and guest satisfaction.
- Upgraded infrastructure at Upper Canada Village, including repairs to the Sawmill, Christ Church, water systems, sewage infrastructure, and more.

- Installed emergency power generator system at Fort Henry data centre eliminating power-related outages by 100%.
- Invested time in building organizational infrastructure, creating and implementing tools to reduce wasted time recreating plans and processes year over year, emails and meetings, improving information sharing between units and producing quick snapshots and enabling reporting.

SLPC is committed to creating a strong culture of environmental sustainability. In 2022/23 SLPC:

- Conducted an audit of the Parks of the St. Lawrence passes that were designed and printed in 2022 which resulted in reducing the number of passes from seven to three, which not only reduced SLPC's carbon footprint but also achieved cost savings, onsite operational efficiencies and an enhanced guest experience.
- Reintroduced campground-specific tear-away maps for campers printed on eco-burn-friendly paper. With the addition of these eco-friendly maps, the overall number of Camping Guides produced has been reduced by 12,000, significantly reducing both environmental and financial waste.
- Switched to environmentally-friendly vegetable print dyes and BPA free recyclable paper for maps and receipt printers.
- Optimized digital tools to reduce printing marketing collateral.
- Identified and replaced end-of-life HVAC equipment with high-efficiency heating and cooling systems. This initiative has reduced energy consumption by 5%-10% while offsetting carbon emissions at select locations.
- Transitioned to post-consumer waste toilet paper for all facilities.

The mandate letter asked that SLPC manage its workforce to optimize organizational capacity and implement diversity and inclusion initiatives to create an inclusive environment. In 2022/23 SLPC:

- Promoted EDI educational materials and resources to staff, including creating two dedicated landing pages for staff education on the SLPC website and sharing the goals and objectives of the Anti-Racism Action Plan as part of staff orientation sessions.
- Hired two Indigenous research students for the summer of 2022 through a partnership with the Mohawks of the Bay of Quinte to conduct research projects in support of inclusive Fort Henry and Kingston Penitentiary programming.
- Participated in KEYS Inclusion Charter initiative on an Inclusive Hiring Practices Review to promote employment practices (job postings, interview procedures, and other hiring related practices) and provide strategies that will improve inclusion, diversity, and equity in the workplace.

- Refreshed SLPC employee recognition program to mirror the OPS program and genuinely acknowledge staff for their essential contributions to services and programs that make SLPC what it is.
- Created robust staffing structures that support business growth in various business areas.

PERFORMANCE MEASURES AND RESULTS

The diverse nature of SLPC's business portfolio and broad mandate, mixed with the need to achieve government priorities, necessitates the use of a variety of performance measurement tools. The performance results, identified as outcomes to improve clarity and comply with the Agencies and Appointments Directive (AAD), will be reviewed regularly by the business unit managers, senior leadership team, and Board of Commissioners. The following are Key Performance Measures that SLPC uses in its operations to assess performance.

FINANCIAL

Senior leadership conducts monthly financial reviews of key performance indicators, income statements, IRR reports, capital reports, and activity reports to evaluate financial performance versus budget for the period.

2022/23

Measure	2022/23 Budget[1]	2022/23 Result[1]
Total revenue, before KP Tours (excluding TP[2])	11,644,759	13,031,430
Total expenditures, before KP Tours (excluding TP[2])	18,559,657	18,879,539
Net income, before KP Tours (including TP[2])	207,902	1,274,691
KP Tours – total revenue	1,927,241	2,672,470
KP Tours – total expenditures	1,722,496	1,660,556
KP Tours – net income	204,745	1,012,009

1. Revenue includes cost of goods sold.
2. "TP" is SLPC's operating transfer payment which had a budget and actual of $7,122,800.

ATTENDANCE

Activity (attendance) levels are evaluated and compared to the budget and previous year to evaluate performance, and identify trends and opportunities.

2022/23 Performance

Attraction	2022/23 Guest Activity Budget	2022/23 Guest Activity Result
Fort Henry (admissions/rentals)	68,938	78,450
Upper Canada Village (admissions/rentals)	179,849	181,610
Parks (nights/admissions)	168,815	158,352
Upper Canada Golf Course (rounds/rentals)	25,436	19,847
Kingston Pen Tours admissions	46,121	61,455
SLPC Total (excluding marina)	**489,159**	**499,714**
Crysler Park Marina (docked/stored linear ft. per day)	1,333,511	1,593,912
SLPC Total (including marina)	**1,822,670**	**2,093,626**

GUESTS

A key driver of an improved financial outcome is optimal guest satisfaction levels. This can be achieved through improved customer service standards, consistent monitoring of guest satisfaction levels and customer-centric decision-making regarding product offerings and marketing campaigns. SLPC has committed to undertaking the following actions to achieve those outcomes:

- Collecting data to track the usage of various guest relations channels.
- Increasing the use of social media as a guest care medium.
- Promoting and driving more self-serve booking capabilities.
- Using and optimizing digital tools to reduce general inquiries and drive to email for response.
- Implementing guest service standards for response timelines.
- Developing a guest feedback mechanism.
- Developing an ambassador/concierge experience program for guests, primarily seasonal campers and boaters, to elevate guest experience and show appreciation for their commitment to SLPC.
- Developing a complaint tracking system and an organization-wide policy to handle complaints and dispute resolution.
- Developing guest relations principles that can be shared with front-line staff across the organization.

Measurement	2022-23 Target	2023-24 Target	2024-25 Target	Type of Measure
Percentage of Guest Relations services delivered digitally	Establish benchmark	Benchmark +15%	Benchmark +20%	Outcome
Inbound call volume	Establish benchmark	Benchmark -20%	Benchmark -25%	Outcome
Responses within guest service standard timelines	Establish standard	95%	100%	Output

2022/23 PERFORMANCE

Measure	2022/23 Target
Percentage of Guest Relations services delivered digitally	Establish benchmark

2022/23 RESULTS

In 2022/23, SLPC received 29,112 inquiries through Guest Relations via telephone (11,554 calls), email (16,180 emails) and appointment bookings (1,378).

Of those, 26,206 inquiries were addressed (the difference represents 2,906 abandoned calls).

With appointments booked through an online service, both appointments and email are counted as delivering services digitally. This sets the benchmark at 67% services delivered digitally.

More and more guest inquiries are being received through social media, which is currently separate from the Guest Relations department. Recognizing the growing significance of this digital channel, social guest care will be included in 2023/24's service delivery measurement.

Guest Relations has also led the push for increasing self-serve booking capabilities.

In the past year, the following functions have been moved online:

- Balcony booking for special events at Fort Henry
- Extended stay campsite renewals
- New extended stay campsite assignments
- Extended stay docking reservations
- Accommodation bookings at Upper Canada Village

- Walking tours for individuals at Upper Canada Village
- Golf gift certificate and promotional sales

This represents a 40% reduction in the number of services that are not delivered digitally.

Measure	2022/23 Target
Inbound call volume	Establish standard

2022/23 RESULTS

In 2022/23, SLPC received 11,554 calls during open queue hours (included in this measurement is two full weeks of no open queue hours due to an unexpected extended staff absence).

It also includes an experiment in Q4 for the opening of camping reservations where we were closed to inbound calls for launch day and the two days following, since in occasions of excessive call volume, many guests cannot get through which causes frustration. Instead, preparatory appointments were offered in the weeks leading up to the launch and first-come, first-served appointments on launch day and following.

With a desire to shift to a more individualized guest care approach which also provides operational efficiencies, SLPC has introduced a guest relations model that balances inbound and outbound calls in 2023/24. The call queue is open in the mornings, while guests can make appointments to receive calls in the afternoons.

This shift will affect the ability to accurately report on the reduction in inbound call volume, since by the act of reducing the queue hours, the volume will be reduced. This will need to be addressed in the 2023/24 annual report.

Measure	2022/23 Target
Responses within guest service standard timelines	Establish standard

2022/23 RESULTS

In 2022/23 SLPC introduced the following guest service standard timelines for communications received through the Guest Relations office under normal circumstances:

- Strive to answer no less than 75% of incoming calls during inbound call hours.
    - Use the digital receptionist tool to provide guests with “off ramps” to reach us another way without waiting, including by email and by booking an appointment to have a Guest Relations agent call them back at their convenience.
- Ensure that no less than 95% of appointments are completed and attended on time and that appointments are prioritized over incoming calls and emails.

    - Late or missed appointments require outreach to the affected guest.
- Emails receive same-day / next-day response
    - Where emails received Monday to Friday until end of shift (4:00 p.m. or 5:00 p.m. depending on the season) will be responded to the same day or next day received.
    - For emails received Friday evening to Sunday evening, same day will be considered as a response on Monday and next day will be considered as a response on Tuesday.
    - All efforts will be made to respond to all weekend emails by end of shift Monday. All emails will be responded to in the following order: 1) by priority, i.e. addressing anything that is time-sensitive for Monday or Tuesday and 2) in the order in which it was received.

Measurement

In order to report on the 2023/24 target, a measurement method will need to be established for emails and appointment attendance as these are not attached to any kind of customer service system. Measurement will be manual, so the teams are currently experimenting with potential methods.

HUMAN RESOURCES AND HEALTH & SAFETY

Measurement and tracking through various forms such as surveys, direct feedback and industry indicators and standards is a useful way for SLPC to understand the current state of its workplace to support business priorities, as well as foster a culture that prioritizes health, safety and wellness, inclusivity and employee growth and development. SLPC will continue to track the following performance measures to that end:

2022/23 PERFORMANCE

Measurement (Outcome- based)	2022-23 Target	2022-23 Actual
Participation rate in OPS Employee Experience Survey (regular service staff)	100%	76%
Employee Engagement Index	75-80	74.9
Target for hires into management positions from priority groups	30% of management vacancies	33%
Number of bilingual positions	22	22
Annually reported WDHP complaints	0-1	1
Annual incident rates (staff)	22	64

Annual incident rates (visitors)	12	22
FTE maintenance within cap (regular service count)	61	61

2022/23 RESULTS

2022 FULL TIME EQUIVALENTS

Full Time Equivalent (FTE) metrics are compiled and analyzed to ensure operation within cap limits and effective utilization of human resources.

SLPC STAFFING SUMMARY	2022/23	2021/22	2020/21
Regular Full-time	56	56	56
Regular Part-Time	1	1	1
Seasonal (averaging 5-6 months per year)	132	136	142
Fixed term, Group 1	52	18	14
Fixed term, Group 2	33	34	30
Student (averaging 4 months per year)	230	166	97
TOTAL SLPC STAFFING LEVELS	**504**	**411**	**340**

Note: Employee numbers reported above are captured during peak-operating season.

RESULTS: FINANCIAL PERFORMANCE

SLPC Operating Financial Performance	2022/23 Budget	2022/23 Actual	2021/22 Actual	2020/21 Actual
Revenue incl. cost of goods sold	13,572,000	15,704,000	11,795,000	5,644,200
Expenses	20,281,000	20,540,000	15,349,000	12,474,000

Net income before Transfer Payment	**(6,709,000)**	**(4,836,000)**	**(3,554,000)**	**(6,829,800)**
Transfer Payment	7,122,800	7,122,800	7,122,800	7,122,800
Net income after Transfer Payment	**413,000**	**2,287,000**	**3,569,000**	**293,000**

Please note the above includes KP.

OPERATIONS

During the fiscal year, SLPC received a consistent provincial government operating grant of $7,122,800 from the Ministry of Tourism, Culture and Sport (MTCS), aligning with the previous year. Moreover, an additional $236,000 was secured through the Student Experience Program to support student wages.

Excluding the $7,122,800 transfer payment, SLPC generated revenue of $15,704,000, signifying a substantial increase of $3,909,000 or 33% compared to the previous year. This achievement can be attributed to improved attendance figures and effective pricing strategies.

However, expenses amounted to $20,540,000, reflecting a higher expenditure of $5,191,000 or 34% compared to the previous year. Salaries and benefits expenses generated a notable increase of $2,900,000 as SLPC approached its pre-pandemic staffing levels. Additionally, unforeseen generator expenses of $1,365,000 were incurred due to a failed electrical system. These factors contributed to the overall increase in expenses.

Consequently, the net income from operations stood at $2,287,000, resulting in a decrease of $1,282,000 or -36% compared to the prior year's performance.

Despite these fluctuations, SLPC showcased a favourable outcome by surpassing its 2022/23 budget by an astounding $1,874,000 or 454%. This exceptional achievement serves as a testament to SLPC's ability to exceed expectations and demonstrate effective financial management. By implementing strategic measures, SLPC was able to navigate through challenges and generate a surplus that exceeded initial projections.

ASSET CONDITION

Many of SLPC's assets are fully depreciated and still in use beyond their expected useful life (they have $0 net book value). As part of the Long-term Capital Plan, SLPC will develop an Asset Replacement Strategy to improve net book value and the average age of its assets. Below is the status of SLPC assets as at March 31, 2023 (reported in thousands):

Asset category	Cost (in thousands)	Accumulated Amortization (in thousands)	2023 Net Book Value (in thousands)	2022 Net Book Value (in thousands)
Buildings and other structures	$21,099	$7,449	$13,650	$14,609
Landhold improvements	16,128	6,571	9,557	8,123

Asset category	Cost (in thousands)	Accumulated Amortization (in thousands)	2023 Net Book Value (in thousands)	2022 Net Book Value (in thousands)
Exhibits	7,414	7,197	217	208
Machinery, equipment, and tools	5,345	4,502	843	763
Vehicles	6,468	5,515	953	1,225
Computer systems and licences	3,658	3,374	284	300
Office furniture and equipment	1,948	1,803	145	153
Structures	13,997	8,491	5,506	4,770
Construction in progress	5,735	-	5,735	1,571
Total	**$81,792**	**$44,902**	**$36,890**	**$31,722**

REPAIR & REHABILITATION PROGRAM FUND

SLPC is the steward of 7,000 acres of land over a 200 km stretch from Kingston to the Quebec border along the St. Lawrence River corridor. Operations include three major historic attractions, 10 campgrounds and 6 beaches, the 37km Thousand Islands Parkway and multi-use recreational trail, the 11km Long Sault Parkway, a bird sanctuary, 18-hole golf course, a marina, and gift and retail stores.

SLPC relies on an annual capital grant funding of approximately $6,000,000 to address a substantial number of projects necessary for the continued operation of our sites. However, it is important to note that many of SLPC's assets have exceeded their expected lifespan, leading to a shortfall in available funding to meet all requirements. Despite this challenge, SLPC strives to maintain its assets to the best of its ability within the available resources.

The aging nature of our infrastructure has resulted in a growing list of projects that are deferred and categorized as deferred capital maintenance. These major deferred capital projects encompass critical initiatives such as the revitalization of aging septic systems and washrooms, restoration of beaches and seawalls, improvement of electrical infrastructure at the Morrisburg Campus, enhancement of rural attraction internet connectivity, upkeep of roadways, forestry rehabilitation, and maintenance of docks, among others.

As per the Ministry's asset management information system data, a significant balance of deferred capital maintenance currently exists. This balance underscores the ongoing need for investment to address the backlog of projects and ensure the long-term sustainability and functionality of SLPC's assets.

SLPC remains committed to diligently managing and prioritizing these deferred capital projects while seeking additional funding opportunities to address the maintenance requirements. By proactively addressing these challenges, we aim to enhance the guest experience, preserve our natural and cultural heritage, and sustain the value of SLPC's assets for future generations.

For 2022/23, SLPC received $6,372,000 in grant funding from MTCS to address high priority capital projects which were:

- Vital to ensuring the safety of staff and guests;
- Necessary to comply with legislative and regulatory requirements;
- To repair or replace failing infrastructure; and,
- Required to support ongoing operations and revenue generation.

Many projects are related to the regular maintenance of buildings and other assets that fall under the categories listed above.

In addition to the routine capital maintenance tasks, such as plumbing, electrical, heating, cooling, and machinery and equipment replacement, SLPC launched and executed several significant capital projects during the period of 2022/23. These projects encompassed various areas and aimed to enhance our facilities, preserve heritage, and improve guest experiences.

Among the notable capital projects were the ongoing revitalization of septic systems and washrooms, major repairs to marina vessel access infrastructure, upgrades and repairs to the IT network, restoration work for Fort Henry’s heritage assets, engineering and design efforts for municipal sewer and water connections, work to replace the Skywood septic system, repair of the Upper Canada Village screw pump, and the revitalization project at Brown's Bay Beach.

The Brown's Bay Beach revitalization project held particular importance as it involved the restoration of the seawall and beach area, replacement of the old septic system, as well as the construction of a new washroom and canteen facility. These enhancements aimed to provide guests with a renewed and enjoyable experience at the beach.

These initiatives reflect our commitment to preserving the historical significance and natural beauty of our locations while providing enhanced amenities and services for all to enjoy.

SLPC has partnered with Infrastructure Ontario for the management and delivery of major capital projects, specifically the revitalization of septic systems and washrooms. This collaboration ensures efficient project execution and benefits from Infrastructure Ontario's expertise in project management.

INTERNALLY RESTRICTED RESERVE

In 2011/12, SLPC and MTCS jointly established an Internally Restricted Reserve (IRR) through a one-time, $2,500,000 grant from MTCS. The IRR serves as an investment fund that drives sustainable growth and reduces reliance on government funding for SLPC. It is funded internally through unrestricted net income and is utilized for new programs, enhancements to guest experience, and initiatives aimed at generating cost savings.

The SLPC Board of Commissioners has established and approved guidelines for the IRR, ensuring that projects seeking funding meet specific criteria. These criteria include generating a yearly variable contribution margin of at least 50%, achieving recurring cost savings of at least 25%, or serving as a lending mechanism for SLPC projects that don't qualify under the previous criteria. The lending mechanism, repayment, and proposal details, including borrowing terms, timeframe, conditions, and risk assessment, must be reasonable and gain the support of all relevant parties.

SLPC receives an annual operating transfer payment for regular business operations, as well as a separate transfer payment for capital infrastructure projects related to health and safety, legislative and code compliance, and asset integrity. However, these transfer payments cannot be allocated towards the development of new events, programs, or proactive initiatives aimed at reducing costs. The IRR investment, therefore, plays a crucial role in positioning SLPC for success, ensuring its vibrancy, and facilitating its growth towards becoming a world-class tourism destination.

Since 2011/12, SLPC's net income from operations has contributed over $24,400,000 to the IRR and over $13,800,000 has been invested in projects such as developing:

- The critically acclaimed fall event Pumpkinferno that attracted over 77,000 visitors in one year and generates around $500,000 in net income for the IRR annually;
- Camper Cabins that generate over $260,000 in revenue annually;
- Full-service campground upgrades generate over $320,000 in revenue annually; and,
- Electrical efficiency upgrades to reduce SLPC power consumption that has saved an estimated $50,000 annually.

SLPC has several ongoing projects funded through the IRR. These projects include the Brown's Bay Revitalization, Morrisburg Campus electrical infrastructure engineering and design, Fort Henry accessibility upgrades, artefact collections storage facility, Riverside Cedar campground upgrades, development of campgrounds and beaches, development of revenue enhancement opportunities, Point-of-Sales system, and various other existing initiatives.

Future IRR projects will be based on the IRR criteria noted above and will contribute towards the SLPC Strategic Plan, financial sustainability, and SLPC operational efficiencies goals.

As SLPC has invested in refreshing guest experiences and keeping pace with visitor demands, revenue from operations has grown from $7,700,000 in 2011/12 to $15,400,000 in 2022/23, an increase of 100%.

The impact on SLPC's financial performance has been dramatic. In 2011/12 for every dollar of expense, SLPC generated $0.53 in revenue; in 2022/23, for every dollar of expense, SLPC generated $0.76 of revenue.

The tourism industry sector was hit hard by COVID-19, causing a significant setback in SLPC's journey towards financial sustainability. The pandemic led to a regression in SLPC's expense to revenue ratio as we faced challenging times. However, we're thrilled to announce that SLPC has not only overcome this hurdle but has now surpassed its pre-COVID-19 revenue generation levels. Although the tourism sector has been one of the slowest to bounce back, SLPC's Strategic Plan has positioned the organization for resounding success in the years ahead.

With a renewed focus and innovative strategies, SLPC has adapted to the changing landscape of the tourism industry, capitalizing on emerging trends and evolving customer preferences. As we move forward, SLPC remains confident in its ability to navigate any future challenges that may arise. The organization's unwavering determination and proactive measures ensure a bright future, driving sustained growth, and solidifying its position as a leader in the tourism sector.

MANAGEMENT'S RESPONSIBILITY FOR ANNUAL REPORTING

SLPC management 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 SLPC Board 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 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 Board reviews the financial statements before recommending approval by the Board.

The financial statements have been audited by KPMG, 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. KPMG had direct and full access to all Commission records as well as full access to the Board of Commissioners without the presence of management to discuss their audit and findings as to the integrity of the Commission's financial reporting.

Hollee Kew
General Manager & CEO
St. Lawrence Parks Commission

Al Adibi
Director, Corporate Services
St. Lawrence Parks Commission