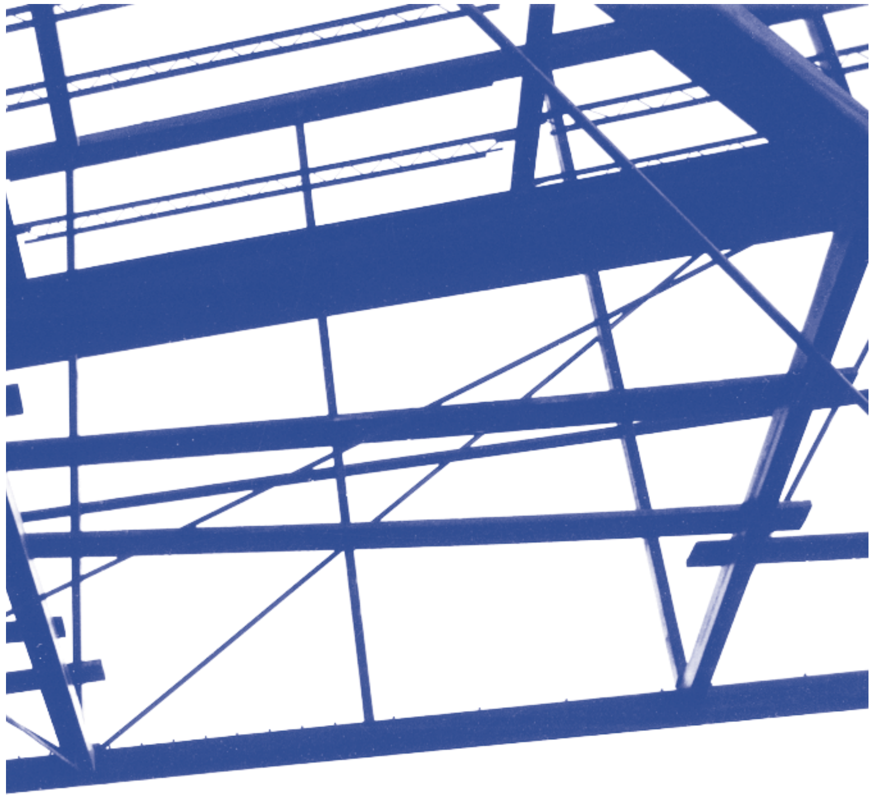
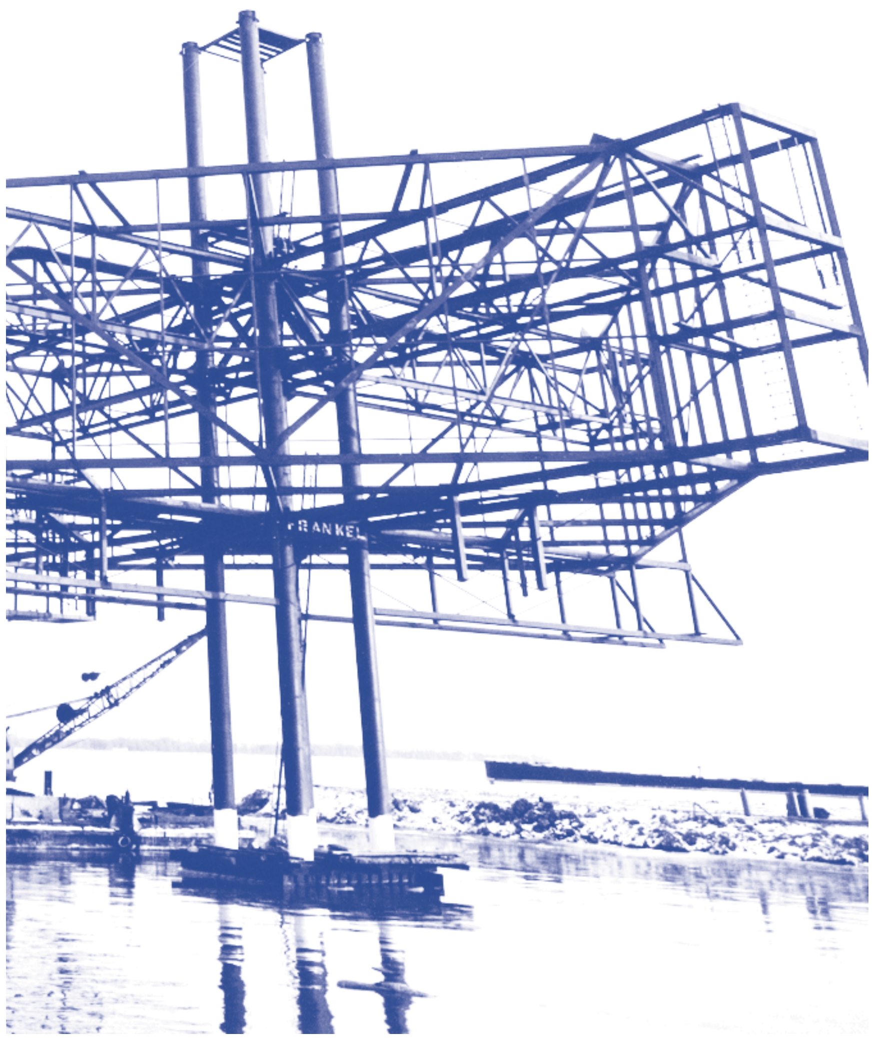


2012
Annual Report

For the year ending December 31, 2012

ontario place



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ontario place

Ontario Place Corporation
955 Lakeshore Boulevard West
Toronto, ON Canada M6K 3B9
www.ontarioplace.com

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

Chair's Message

2012 was a transition year for the Board, staff and supporters of Ontario Place. On February 1, 2012 the Minister of Tourism, Culture and Sport announced the partial closure and revitalization of Ontario Place, noting that this was

> "…a new step forward in the revitalization of Ontario Place to make it a 'must visit' destination and landmark for Ontario families and tourists from around the world. I've asked John Tory, Chair of CivicAction, to lead a panel that will advise the government on the redevelopment of the site."

The Board and management recognized that partial closure was a necessary step in the revitalization of Ontario Place.

I was pleased to participate in the Minister's Advisory Panel on Ontario Place Revitalization. The Board was engaged in consultations with John Tory, Chair of the Advisory Panel and the Ministry of Tourism, Culture and Sport.

In May 2012, the Board approved a three-year transition framework for Ontario Place and submitted a revised business plan to the ministry. The new business plan required a new Human Resources strategy to restructure and reduce the size of the organization in spring and summer of 2012.

The other priorities of Ontario Place Corporation were to: support the partial closure, maintain our onsite business partnerships, manage the reduced operations, ensure a safe and secure site, and maintain the infrastructure and capital assets to allow an efficient transition towards revitalization. In conjunction with these priorities, the Board and management were committed to maximizing park revenues, supporting new business opportunities and preparing for the 2015 Pan/Parapan Am Games.

This 2012 Annual Report outlines the accomplishments and challenges on the road to revitalization. Most notably, Ontario Place Corporation posted an operating profit of $495,000 before amortization and capital asset write downs.

Managing change is never an easy task and managing the partial closure of an iconic public institution had its share of challenges. Ontario Place management and staff are to be commended for their dedication and professionalism during this time.

Going forward, the Board remains committed to supporting the revitalization efforts and to uphold its duties in governing the transition operations. On behalf of my colleagues on the Board of Directors, I would like to express our thanks to all former and current management and staff members of Ontario Place for their dedication throughout the years, and to our business partners for their ongoing support. I am pleased to submit the Ontario Place annual report for the year ending December 31, 2012.

Joseph Halstead, Chair
Ontario Place Corporation

2012 Corporate Governance

Ontario Place is an Operational Enterprise Agency of the Government of Ontario and is accountable to the Minister of Tourism, Culture and Sport. The legislated authority of Ontario Place is *The Ontario Place Corporation Act, R S O 1990, c 0 34*. A Memorandum of Understanding (MOU) between the Ministry and Ontario Place sets out the framework for accountability and the working relationships between the Minister, the Chair, the Board, the Deputy Minister and the General Manager.

The Board of Directors governs and provides strategic direction for the affairs of Ontario Place and is responsible for the effective oversight of its management. The role of the Board committees is to act as a resource for Ontario Place management.

Board of Directors

Joseph Halstead, Chair	June 1, 2005 – April 5, 2014
David G. Angus	May 6, 2002 – May 5, 2013
Sonny Cho	May 4, 2011 – May 3, 2014
Connie Dejak	June 15, 2010 – June 14, 2013
Linda Franklin, Chair Strategic Planning Committee	May 7, 2003 – October 4, 2014
Basat Khalifa	March 24, 2010 – March 23, 2013
Penny Lipsett	June 22, 2005 – October 17, 2014
M. Joanne Rider	September 8, 2009 – September 7, 2014
Winston Young, Chair Audit Committee	December 2, 2009 – December 1, 2014

2012 Senior Management Team

John Tevlin	General Manager (January - February 2012)
Shirley Phillips	Interim General Manager (February – August 2012)
Eriks Eglite	Transition General Manager (August 2012 - present) Director of Strategic Planning & Corporate Services (January-August 2012)
Keith Brown	Director of Operations and Infrastructure
Hunter Saggar	Senior Manager, Corporate Services
Jean Abou-Saab	Executive Assistant to the General Manager
Valerie Holliday	Executive Assistant to the Transition General Manager
Marsha O'Connor	Director of Finance and Administration
Mary Strizzi	Director of Human Resources
Dave Bounsall	Director of Marketing and Communications

2012 Corporate Partners

Ontario Place Corporation wishes to acknowledge and express its appreciation to the following organizations for their cooperation and assistance in 2012:

Canadian International Air Show

Canadian National Exhibition Association

City of Toronto

Exhibition Place Board of Governors

Toronto Police Services

Toronto Port Authority

Major Revenue Generating Third-Party Agreements:

Atlantis Pavilions Inc.

Ontario Place Corporation has a long-term license agreement with Atlantis Pavilions Inc. for the management and operation of a year-round event venue facility, banquet center and corporate head office in PODs 1 & 2. With a capacity of 1,900, Atlantis hosts corporate events and private functions.

Live Nation Canada Inc.

Ontario Place Corporation has a long-term license agreement with Live Nation Canada Inc. for the management and operation of Molson Amphitheatre. With a capacity of over 16,000, the Molson Amphitheatre is a unique concert venue that presents domestic and international entertainment.

Live Nation also entered into separate rental agreements with Ontario Place Corporation for Echo Beach and The Flats, outdoor venue sites to the east of the Molson Amphitheatre, with capacity of 5,000 -15,000 patrons depending on the venue site configuration.

2012 Strategic Priorities

Following the February 1, 2012 announcement of partial closure and revitalization, the Corporation shifted its immediate priorities to:

1. Transition to partial closure.
2. Ensure a safe site and maintain the infrastructure and capital assets.
3. Maintain the existing contractual partnerships.
4. Manage reduced operations and support new business opportunities.
5. Maximize park revenue through parking lots, marina, advertising and events within the site.
6. Support the Board and the Ministry with revitalization efforts.
7. Collaborate with Toronto 2015 Pan American Games Organizing Committee to develop a "Pan Am Park" concept which includes Ontario Place.

2012 Transition Activities to Partial Closure

During this transition the management and staff completed a range of activities including the following:

HUMAN RESOURCES

- Following the February announcement, a human resources strategy was deployed in the spring and summer of 2012. By September 2012, more than 50 full-time positions were surplused and 600 part-time positions were affected.

HEALTH AND SAFETY

- Assessed and realigned security protocols and operations to monitor and control site traffic, protect assets, and maintain public safety as appropriate for a partially closed site.
- Conducted a comprehensive update of the Fire and Life Safety Plan and the Crisis Management Plan to reflect the new business model and organization structure.

CORPORATE ACTIVITIES

- Negotiations with concessionaires to terminate business agreements extending into 2012 and beyond were substantially completed in 2012.
- Made arrangements and documented the safe removal of third-party owned assets onsite.
- Issued 840 refunds for pre-purchased 2012 Play All Season passes.
- With the assistance of Archives Ontario, documented and archived a significant number of files and artifacts.
- Implemented new media and communications protocols.
- Removed Ontario Place core park listings from all known third-party websites, publications, calendars and links.
- Reviewed all active marketing and communications and aligned them to the new business operations.
- Redesigned and updated Ontario Place communications assets to inform patrons of the partial closure of the park, and to promote businesses which continued to operate (Molson Amphitheatre, Atlantis, OPC parking and OPC marina).
- Reviewed the IT resources, legacy systems and reporting mechanisms and new initiatives were implemented to address the new organization and business scale:
  - Existing corporate financial services and operating systems were reviewed;
  - IT software platforms and hardware was aligned to suit a smaller organization;
  - Development of a new revenue and expense analysis system was initiated to ascertain business unit profitability.

OPERATIONAL ACTIVITIES

- A new parking "pay and display" program was introduced into lots 2, 2A, and 3 to operate the lots without staffing the parking lot booths. This system proved viable and was well used by patrons of OPC.
- Site preparation activities:
  - Development of an OPC Asset Disposal Strategy for Board approval, to recycle, re-deploy, dispose or sell assets declared surplus. This strategy was expected to be a multi-year undertaking;
  - The organization's priority was to maintain the physical integrity of the buildings and grounds and ensure that Ontario Place continued to be a healthy and safe site. While the number of business operations was reduced, the bulk of the site continued to require regular maintenance and basic repair;
  - Initiated minor site decommissioning of infrastructure, rides and facilities not required for the reduced operations.

REVITALIZATION

- Staff supported and enabled revitalization while delivering partial operations.

2012 Business Performance and Operations

The overall 2012 financial performance has been summarized from the Audited Financial Statements in the table below.

Analysis of 2012 Financial Performance

	2012 Actuals (000s)
Revenues	$3,842
Expenses	$10,511
Net Total	**-$6,669**
Ministry Operating Allocation	$7,130
Total	**$461**

During the transition to revitalization and within the general revenues noted above the following businesses continued to operate:

- The Molson Canadian Amphitheatre
- Atlantis Pavilions
- Ontario Place Marina
- Parking lot operations with parking lot and site rentals including Echo Beach & the Flats

The total revenues for the above stated business units exceeded 2012 budget and represent an 8% decrease over 2011 actuals. During transition operations, OPC posted high volumes of visitor traffic and attendance. Molson Amphitheatre, Atlantis, and parking lot event and site rental revenues increased over 2011.

The table below represents an analysis of all revenues attributable to 2012 business units extracted from the 2012 and 2011 audited Financial Statements, which differ in presentation format.

Analysis of 2012 Key Revenue Streams and Performance

	2012		2011	
	Gross Revenue	Performance	Gross Revenue	Performance
Molson Amphitheatre: • License fees	$1,234,439	312,302 guests	$ 963,123	252,160 guests
Atlantis Pavilions: • License fees	$164,489	30,036 guests	$160,120	39,595 guests
OPC Marina	$830,605	6,252 linear feet	$1,034,270	6,885 linear feet
Parking Lot Operations Revenue	$1,160,362	-	$1,641,261	-
Site & Parking Lot Event Rentals (including Echo Beach and the Flats)	$202,334	43 Events	$121,776	17 Events
TOTAL	**$ 3,592,229**		**$ 3,920,550**	

MOLSON AMPHITHEATRE

- Molson Amphitheatre held 29 concerts at Ontario Place exceeding the previous high of 25 concerts in 2011.
- This resulted in a 28% increase in license fee revenues over 2011.
- OPC provided a number of services (parking, security, traffic control and some washroom cleaning) to support Molson Amphitheatre operations, some on a 'charge-back' basis.

ATLANTIS PAVILIONS

- Atlantis reported hosting over 30,000 guests in 2012.
- License fee revenues were 3% higher than 2011.

MARINA

The Ontario Place Marina has long been a popular mooring facility for boaters due to its proximity to downtown Toronto. Ontario Place has 240 slips available for daily, monthly and seasonal rental and winter storage capability.

- The Marina was open from the first Saturday in May through to mid-October and offered onsite winter storage for boats up to 45 feet in length.
- 2012 total marina revenues were 20% lower than 2011.
- Seasonal moorage decreased 14% from 2011. To address the partial closure the marina seasonal moorage rates were reduced by 5% for the 2012 season due to the reduced activities onsite.
- The reduced available activities onsite due to the amusement park closure impacted the Marina's transient dockage business, which decreased 57% from 2011.

PARKING

Ontario Place operated 4 parking lots with a capacity of over 1,500 parking spaces. The parking lots cover 480,000 square feet of outdoor space easily accessible from Lake Shore Boulevard West, major highways, public transit (TTC and GO Transit at Exhibition Station) and the Martin Goodman Trail.

Parking Lot Operations

- Parking lot operations revenues decreased by 30% from 2011, resulting mainly from the loss of the amusement park guests.
- In 2012, Pay and Display machines were installed in Lot 2, 2a & 3 to eliminate parking cashiers while Lot 1 remained automated.
- 2012 parking rates were simplified: $12 in low season (November to April) and $20 in peak season (May to October), whereas 2011 parking rates were variable and event driven.

Parking Lot Event and Site Rentals

- Site rental revenues increased by 66% over 2011.
- Ontario Place was the site of a number of repeat and new events including:
  - Supporting the operations of the Caribbean Carnival held on Exhibition Place grounds;
  - The Canadian National Exhibition's presentation of the Canadian International Air Show, which attracted an estimated 14,000 viewers on the Ontario Place West Island over a three day period;
  - Several high profile charity events including: the Princess Margaret Hospital's Road Hockey to Conquer Cancer, Hockey Night in Canada "Play On" road hockey tournament, 2012 Scotia Bank Toronto Waterfront Marathon, 2012 Caribbean Carnival, Meaghan's Walk, 2012 Goodlife Fitness Toronto Marathon.
- Live Nation held 15 site events compared to 1 in 2011 (12 at Echo Beach and 3 on The Flats).
- In anticipation of the continued demand for parking lot and site rentals, management initiated a review of the rental fee schedule, the market, staff resources and operational requirements of this business.

New Revenue Generating Opportunities

- The OPC bridges spanning Lake Shore Boulevard West to Exhibition Place were identified as potential assets for the purpose of advertising revenue generation. An RFP was developed and issued in 2012 to outsource this business (awarded in 2013).
- A secure, stand-alone section of OPC's Administration Building (16,000 sq. ft) was leased to generate revenue on a short-term basis.
- The Ontario Film Office of the Ontario Media Development Corporation met with OPC management to discuss opportunities to rent the site a location for film productions. Management initiated a review of guidelines and fees for Board and Ministry approval.

Need for Organizational Restructuring

Throughout this transitional year for Ontario Place, OPC management and the Board monitored and evaluated OPC's organizational effectiveness. It was determined that the existing governance and organizational structure required further adjustments to maximize operational efficiency. The Board and management continued to engage the Ministry on how best to manage the organization's transition to revitalization.

Preparation for the Pan/Parapan Am Games

- OPC was approached by the 2015 Pan/Parapan Am Games organizers to identify opportunities to host various sporting venues at Ontario Place for the 2015 Pan/Parapan Am Games.

Ontario Place Corporation

Financial Statements

For the Years Ended December 31, 2012 and 2011

Management's Responsibility for financial reporting

The management of Ontario Place Corporation is responsible for the integrity and fair presentation of the financial statements accompanying this report. The financial statements have been prepared in accordance with Canadian public sector accounting standards and of necessity to include some amounts that are based on estimates and judgements.

Ontario Place maintains systems of internal accounting controls designed to provide reasonable assurance that the financial information is accurate and reliable, the company assets and liabilities are adequately accounted for and assets are safeguarded. The systems include policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

The financial statements have been reviewed by Ontario Place's Audit Committee and have been approved by its Board of Directors. In addition, the financial statements have been audited by the Office of the Auditor General of Ontario, whose responsibility it is to express an opinion on whether they have been prepared in accordance with generally accepted accounting principles. The Independent Auditor's Report that appears as part of the financial statements outlines the scope of the Auditors examination and opinion.

On behalf of management:

Eriks Eglite
Transition General Manager

Hunter Saggar
Senior Manager Corporate Services

Laura Cooney, C.M.A.
Controller

Independent Auditor's Report

To Ontario Place Corporation
and to the Ministry of Tourism, Culture and Sport:

I have audited the accompanying financial statements of Ontario Place Corporation, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011 and the statements of operations, change in net assets and cash flow for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 and fair presentation 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.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Place Corporation as at December 31, 2012, December 31, 2011 and January 1, 2011 and the results of its operations, and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian public sector accounting standards.

Park Revitalization
While not modifying my opinion, I draw attention to note 16 to the financial statements which describes the financial impact on the Corporation of the closing of most park attractions while a major revitalization of the park is being planned and implemented.

Toronto, Ontario
December 9, 2013

Gary Peall, CPA, CA, LPA
Deputy Auditor General

Ontario Place Corporation **Statements of Financial Position**

As at December 31, 2012, December 31, 2011 and January 1, 2011

	December 31, 2012 ($ 000)	December 31, 2011 ($ 000) Restated [Note 3]	January 1, 2011 ($ 000) Restated [Note 3]
ASSETS			
Current			
Cash – unrestricted	3,171	3,766	4,782
Cash – restricted [Note 5]	2,168	4,430	6,132
Accounts receivable [Note 6]	3,223	1,372	6,642
Inventory	23	191	215
Prepaid expenses and deferred charges	46	576	334
	8,631	10,335	18,105
Capital Assets [Note 7]	110,110	119,617	114,228
Capital Assets Under Lease Obligation [Note 8]	214	246	251
	110,324	119,863	114,479
	118,955	130,198	132,584
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable and accrued liabilities [Note 10]	779	2,518	1,822
Accrued employee termination benefits [Note 13(B)]	1,219	—	—
Current portion of obligations under capital lease [Note 9]	55	53	45
Due to the Province of Ontario	271	248	246
Deferred revenue	59	121	66
	2,383	2,940	2,179
Long Term Liabilities			
Accrued employee severance liability [Note 13(B)]	167	743	717
Obligations under capital lease [Note 9]	139	195	219
	306	938	936
Deferred Capital Contributions [Note 11]	8,428	17,935	12,522
Unspent Deferred Capital Contributions [Notes 5 & 11]	2,168	3,176	5,014
	10,596	21,111	17,536
Net Assets			
Invested in capital assets [Note 12]	101,682	101,682	101,706
Unrestricted	3,988	3,527	10,227
	105,670	105,209	111,933
	118,955	130,198	132,584

Contingency [Note 17]
See accompanying schedules and notes to financial statements.

Approved on behalf of the Corporation:

Director

Director

Ontario Place Corporation **Statements of Operations**

For the Years Ended December 31, 2012 and 2011

	2012 ($ 000)	2011 ($ 000) Restated [Note 3]
Operating revenue [Schedule 1]	3,842	12,807
Administrative and operating expenses [Schedule 2]	(7,417)	(25,629)
Operating deficit before the cost of partial closure	(3,575)	(12,822)
Costs of partial closure [Note 16]	(3,060)	—
Operating deficit before the following:	(6,635)	(12,822)
Province of Ontario operating grants	7,130	6,153
Amortization of deferred capital contributions	690	2,225
Amortization of capital assets	(690)	(2,249)
Amortization of capital assets under lease	(34)	(31)
	7,096	6,098
Excess/(deficiency) of revenue over expenses for the year	461	(6,724)

Ontario Place Corporation **Statements of Changes in Net Assets**

For the Years Ended December 31, 2012 and 2011

	2012 ($ 000)			2011 ($ 000)
	Invested in Capital Assets	Unrestricted	Total	Restated [Note 3]
Net assets, beginning of year as previously stated	98,332	3,527	101,859	108,583
Prior period adjustment [Note 3]	3,350	—	3,350	3,350
Net assets, beginning of year as restated	101,682	3,527	105,209	111,933
Excess/(deficiency) of revenues over expenses	—	461	461	(6,724)
Net assets, end of year	101,682	3,988	105,670	105,209

See accompanying schedules and notes to financial statements.

Ontario Place Corporation **Statements of Cash Flows**

For the Years Ended December 31, 2012 and 2011

	2012 ($ 000)	2011 ($ 000) Restated [Note 3]
Operating Activities		
Excess/(deficiency) of revenues over expenses	461	(6,724)
Adjustments for items not requiring an outlay of cash	—	
Amortization of capital assets	690	2,249
Amortization of leased capital asset	34	31
Amortization of deferred capital contributions	(690)	(2,225)
Amortization of deferred capital contributions relating to impaired capital assets	(9,825)	—
Impairment of capital assets	9,825	—
Net change in non-cash working capital	(1,713)	5,810
Long-term portion of accrued employee severance liability	(576)	26
Cash used in operating activities	(1,794)	(833)
Capital Activities		
Capital asset acquisitions – net	(1,008)	(7,638)
Cash used in investing activities	(1,008)	(7,638)
Financing Activities		
Capital grants received	—	5,800
Obligation under capital lease principal paid	(55)	(47)
Cash generated from (used in) financing activities	(55)	5,753
Decrease in cash during the year	(2,857)	(2,718)
Cash, beginning of year	8,196	10,914
Cash, end of year	5,339	8,196
Cash - unrestricted	3,171	3,766
Cash - restricted	2,168	4,430
	5,339	8,196

See accompanying schedules and notes to financial statements.

Ontario Place Corporation
Schedules of Operating Revenue and Administrative and Operating Expenses
For the Years Ended December 31, 2012 and 2011

	2012 ($ 000)	2011 ($ 000) Restated [Note 3]
Schedule 1		
Operating Revenue		
Admissions	—	4,330
Parking	1,262	1,749
Sponsorship revenue	—	2,451
Amphitheatre	1,234	963
Retail sales and catering	143	1,229
Marina	692	845
Concessions and facility rental	246	682
Other revenue	183	233
Cinesphere revenues	31	232
Interest income	51	93
	3,842	12,807
Schedule 2		
Administrative and Operating Expenses		
Salaries and wages	2,826	9,093
Employee benefits [Note 13]	884	1,400
Advertising	121	5,354
General and administration	1,447	2,266
Programming and entertainment	114	2,533
Utilities	687	944
Cost of retail sales and catering	120	725
Site maintenance	344	1,204
Janitorial	353	696
Supplies	96	787
Transportation and communications	176	267
Other	249	360
	7,417	25,629

See accompanying schedules and notes to financial statements.

1. Nature of Operations

The Ontario Place Corporation, (the "Corporation" or "Ontario Place") is a provincial Crown agency, incorporated under the *Ontario Place Corporation Act* R.S.O. 1990. The Corporation is exempted from federal and provincial income taxes.

Up until February 1, 2012, the Corporation operated a park built on a 155-acre site extending through three islands created using landfill along the Toronto waterfront. The site was intended to provide visitors with an appreciation of the Province's resources and accomplishments. The fees charged for the various services across the park were subject to approval by the Ministry of Tourism and Culture and Sport.

In addition to the various services operated by Ontario Place, the Corporation enters into a number of licence, ground lease and special event agreements with various private-sector companies.

On February 1, 2012 the Minister of Tourism, Culture and Sport announced the partial closure and revitalization of Ontario Place. It was announced that the following operations would remain open while plans for revitalizations were developed: Ontario Place Marina, Molson Canadian Amphitheatre, Atlantis Pavillion, and the parking lots. All other operations, including the Cinesphere, Waterpark, amusement rides and games and concession stands would be closed.

The Corporation receives grants from the Province to partially cover the costs of ongoing operations.

2. Conversion to Public Sector Accounting Standards

On January 1, 2012, the Corporation adopted Canadian generally accepted accounting principles for government not for profit organizations as recommended by the Public Sector Accounting Board ("PSAB") of the CPA Canada (formerly Canadian Institute of Chartered Accountants). These are the first financial statements prepared in accordance with PSAB standards.

In accordance with the transitional provisions in Public Sector Accounting Standards, the Corporation has adopted the changes retrospectively. The transition date is January 1, 2011 and all comparative information provided has been presented by applying public sector accounting standards. There were no transitional adjustments.

3. Restatement of Prior Year's Financial Statements

In prior years, deferred capital contributions were not correctly amortized into income on the same basis that the underlying assets were amortized.

The adjustment has been accounted for retrospectively with restatement of prior years' financial statements. The following tables summarize the effect of the adjustment for the years indicated as follows:

December 31, 2011	Previously recorded	Increase (decrease)	Restated
	($ 000)	($ 000)	($ 000)
Deferred Capital Contributions	21,285	(3,350)	**17,935**
Net Assets – Invested in capital assets	98,332	3,350	**101,682**

January 1, 2011	Previously recorded	Increase (decrease)	Restated
	($ 000)	($ 000)	($ 000)
Deferred Capital Contributions	15,872	(3,350)	**12,522**
Net Assets – Invested in capital assets	98,356	3,350	**101,706**

4. Significant Accounting Policies

(A) BASIS OF ACCOUNTING

The financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

(B) REVENUE RECOGNITION

Grants are recognized on an accrual basis.

Revenue from grants restricted for the purchase of capital assets is deferred and amortized over the same period as the related capital asset.

Revenue from parking, retail sales and catering, marina dockage, and the Cinesphere are recognized when the goods or services are provided.

Revenue from interest, concessions, and amphitheatre are recognized when they are earned.

(C) INVENTORY

Supplies inventory is valued at cost.

(D) CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful lives of the assets as indicated below:

Buildings	25 years
Attractions	10 years
Equipment, fixtures	10 years
Computer equipment	4 years

(E) MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance with Canadian public sector accounting standards requires that management make estimates and assumptions that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures for the period. Actual amounts could differ from these estimates.

(F) FINANCIAL INSTRUMENTS

Ontario Place follows the Canadian public sector accounting standards pertaining to financial instruments. The Corporation's financial assets and liabilities are accounted for as follows:

- Cash and Restricted cash are subject to an insignificant risk of change in value so carrying value approximates fair value.
- Accounts receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made to reflect accounts receivable at the lower of cost and the net recoverable value, when collectability and risk of loss exists. Changes in valuation allowances are recognized in the Statement of Operations.
- Accounts payable and accrued liabilities, Due to the Province and Deferred revenue are recorded at cost.

Ontario Place does not use derivative financial instruments.

(G) NON-MONETARY TRANSACTIONS

The Corporation did not have any non-monetary transactions during the year ended December 31, 2012.

The Corporation had non-monetary transactions of $2,067,000 for the year ended December 31, 2011. These non-monetary transactions were for goods and services acquired in exchange for advertising services measured based on fair market value when there was evidence to support the fair value.

5. Cash – Restricted

Cash grants from the Province of Ontario are held by Ontario Place which are externally restricted as follows:

	December 31, 2012	December 31, 2011	January 1, 2011
	($ 000)	($ 000)	($ 000)
Property tax grant	—	1,254	3,118
Unspent deferred capital grant	2,168	3,176	3,014
	2,168	4,430	6,132

Unspent deferred capital contributions are described in Note 11.

6. Accounts Receivable

	December 31, 2012	December 31, 2011	January 1, 2011
	($ 000)	($ 000)	($ 000)
Province of Ontario	2,200	—	4,500
Trade	1,000	1,183	2,124
Other	38	244	75
	3,238	1,427	6,699
Less allowance for doubtful accounts	(15)	(55)	(57)
	3,223	1,372	6,642

7. Capital Assets

	December 31, 2012		
	Cost	Accumulated Amortization	Net Book Value
	($ 000)	($ 000)	($ 000)
Land, waterlots	101,660	—	101,660
Buildings	6,946	1,559	5,387
Attractions	1,997	851	1,146
Equipment, fixtures	2,838	927	1,911
Computer equipment	20	14	6
	113,461	3,351	110,110

	December 31, 2011		
	Cost	Accumulated Amortization	Net Book Value
	($ 000)	($ 000)	($ 000)
Land, waterlots	101,660	—	101,660
Buildings	13,889	5,708	8,181
Attractions	11,978	5,058	6,920
Equipment, fixtures	3,450	978	2,472
Computer equipment	507	123	384
	131,484	11,867	119,617

	January 1, 2011		
	Cost	Accumulated Amortization	Net Book Value
	($ 000)	($ 000)	($ 000)
Land, waterlots	101,660	—	101,660
Buildings	12,795	5,130	7,665
Attractions	9,649	5,980	3,669
Equipment, fixtures	2,667	1,455	1,212
Computer equipment	71	49	22
	126,842	12,614	114,228

The amortization expense for 2012 is $690,000 ($2,249,000 for 2011). An impairment charge of $9,825,000 was recorded in 2012 as described in Note 16.

8. Capital Assets Under Lease Obligation

	December 31, 2012	December 31, 2011	January 1, 2011
	($ 000)	($ 000)	($ 000)
Equipment (cost)	342	342	313
Accumulated amortization	(128)	(96)	(62)
	214	246	251

The equipment under the capital lease is amortized on a straight-line basis over its economic life of 10 years. The amount of amortization charged to expense in 2012 is $34,200 ($34,200 for 2011).

9. Capital Lease Obligation

The following is a schedule of future minimum lease payments which expire in 2016 together with the balance of the obligation.

	December 31, 2012	December 31, 2011	January 1, 2011
	($ 000)	($ 000)	($ 000)
2012 and prior	—	63	114
2013	63	63	57
2014	63	63	57
2015	79	79	73
Up to 2016	6	7	0
Total minimum lease payments	211	275	301
Interest	(17)	(27)	(37)
Balance of the obligation	194	248	264
Less: current portion	(55)	(53)	(45)
	139	195	219

10. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities relate largely to normal business transactions with third-party vendors and are subject to standard commercial terms.

11. Deferred Capital Contributions and Unspent Deferred Capital Contributions

Purchased assets have been capitalized and the corresponding capital grants have been deferred together with unspent capital grants. Spent capital grants are amortized into income on the same basis that the underlying assets are amortized. The changes in the total deferred capital contributions balance are as follows:

	December 31, 2012 ($ 000)	December 31, 2011 Restated ($ 000)	January 1, 2011 Restated ($ 000)
Balance, beginning of year	21,111	17,536	15,742
Amount amortized to revenue	(10,515)	(2,225)	(2,406)
Capital grants recognized	—	5,800	4,200
Balance, end of year	10,596	21,111	17,536

	December 31, 2012 ($ 000)	December 31, 2011 Restated ($ 000)	January 1, 2011 Restated (Note 3) ($ 000)
Deferred Capital Contributions	8,428	17,935	12,522
Unspent Deferred Capital Contributions	2,168	3,176	5,014
Balance, end of year	10,596	21,111	17,536

Unspent deferred capital contributions are held as restricted cash as described in note 5.

12. Invested in Capital Assets

The invested in capital asset balance represents the net amount of the Corporation's investment in capital assets less the deferred capital contribution balance at year end.

13. Employee Benefits

(A) PENSION BENEFITS

The Corporation 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) which are both multiemployer plans established by the Province of Ontario. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU-PF, determines the Corporation's annual payments to the funds. Accordingly, the pension expense is the Corporation's share of the required contribution to the PSPF and OPSEU pension funds for the year, which was $275,970 (2011 – $394,699), and is included in employee benefits in the Schedule of Administrative and Operating Expenses.

(B) NON-PENSION BENEFITS

The cost of unused vacation and earned legislated severance entitlements for current employees are accrued for in the financial statements under the long-term portion of accrued employee severance benefits. Amounts due to current employees payable within one year are included in accounts payable and accrued liabilities.

Severance and other amounts due to terminated employees are included in accrued employee termination benefits.

The cost of other post-employment non-pension employee benefits are paid by the Ministry of Government Services and are not included in the statement of operations.

14. Property Tax Accrual and Recovery

Ontario Place and the City of Toronto were in dispute regarding the amount of property taxes Ontario Place was assessed to pay from 1998-2008. In late 2009, the Corporation received confirmation of a settlement of the assessment appeals it filed with the City of Toronto resulting in a recovery of a significant portion of property taxes previously accrued. During 2009, Ontario Place paid all property taxes due up to the end of 2009 based on the settlement.

Ontario Place received and paid its 2010 interim tax bill. However, the 2010 and 2011 final tax bill was higher than what was expected, as the City used tax rates that were inconsistent with the 2009 settlement. As a result, Ontario Place filed an appeal for its 2010 and 2011 tax bills and has withheld full payment of the final tax bills. As of December 31, 2012, the City shows an amount remaining to be paid for the two years of $114,817.

The 2012 final tax bill was paid in full.

15. Financial Instruments

(A) LIQUIDITY RISK:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

(B) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk arising from its trade accounts receivable. Due to the nature of these receivables, the Corporation recognizes its receivables net of an impairment based on historical trends.

It is management's opinion that the Commission is not exposed to significant interest rate, currency, liquidity or credit risk arising from its other financial instruments due to their nature.

16. Park Revitalization

On February 1, 2012 the Government of Ontario announced plans to revitalize Ontario Place. At that time, an advisory panel was established to advise the government on redevelopment of the site. In June 2013, the Province announced its first step in the revitalization to build a new urban park and waterfront trail on the east island of Ontario Place in time for the Toronto 2015 Pan Am/Parapan Am Games. Ontario Place will be available for use for events like the 2015 Pan/Parapan Am Games until revitalization is complete.

The February 2012 announcement has resulted in the closure of some of the main attractions including the Cinesphere, waterpark, and amusement rides. As a result, management has recognized the following costs in these financial statements:

	2012 ($ 000)
Impairment of capital assets	9,825
Amortization of deferred capital contributions relating to impaired capital assets	(9,825)
Severance	2,314
Contract settlements	554
Write down of inventory	176
Other	16
	3,060

Included in the impairment of capital assets are one-time write-downs of $6,183,000 to attractions, $2,568,000 to buildings and $1,074,000 to equipment, fixtures and computer equipment.

17. Contingent Liability

As a consequence of the Province's decision to partially close the park, a statement of claim has been filed against the Corporation by one of its licensees. The Corporation is also involved in another legal action relating to operations prior to the partial closure. The cost to the Corporation, if any, cannot be determined at this time because the outcome of these actions is uncertain. Accordingly, no provision for these actions is reflected in the financial statements. Ultimately, the Province would have to fund any settlement costs.