2013

Annual Report

For the year ending December 31, 2013

ontario place

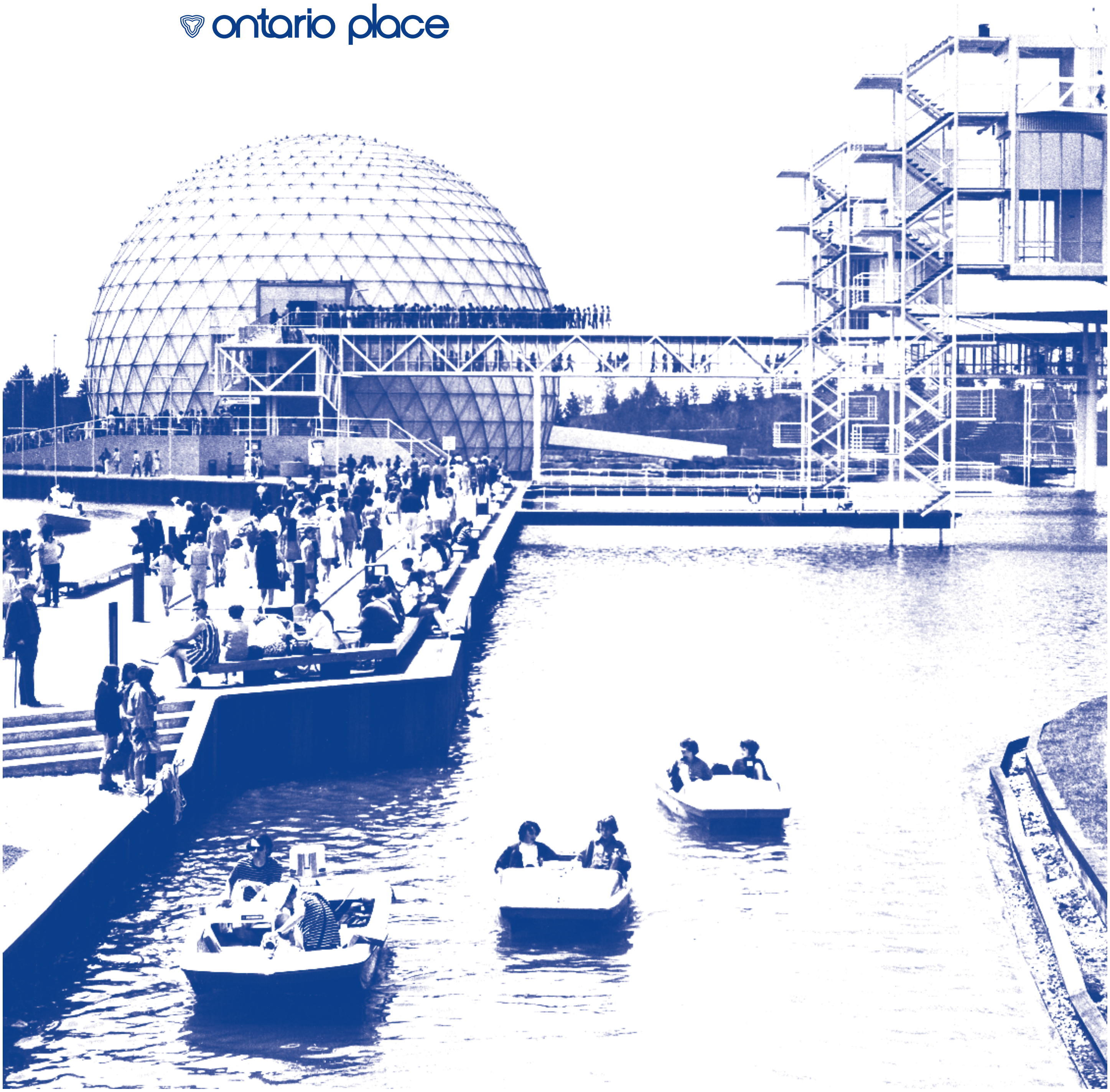

Table of Contents

ontario place

Ontario Place Corporation
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Toronto, ON Canada M6K 3B9
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An Agency of the Government of Ontario
Ministry of Tourism, Culture and Sport

Revitalization of Ontario Place: Key Milestones

February 1, 2012
The province announces the closure of the waterpark, amusement rides and the Cinesphere to allow for the revitalization of Ontario Place. A panel of community and business leaders chaired by John Tory was established to advise the Minister of Tourism, Culture and Sport on a new vision for Ontario Place.
The Amphitheatre, Atlantis, marina and parking will remain open until construction begins.

June 5, 2012
John Tory and the Minister's Advisory Panel host an in-person and virtual town hall to gather ideas from Ontarians on what people would like to see at a new Ontario Place.

July 26, 2012
The panel submits to government its report on Ontario Place Revitalization, recommending the site be transformed into a year-round, multi-use waterfront community and urban park for all Ontarians to enjoy.

September 1, 2012
The province begins to research the site to understand what needs to be done to prepare Ontario Place for future development.

December 1, 2012
Ontarians share their ideas about the new vision for Ontario Place with the province.

June 26, 2013
The province announces the first step to revitalization: a new urban park and waterfront trail on the east island of the site, providing residents and visitors access to part of the waterfront that has been closed to the public for more than 40 years.

November 12, 2013
The province announces the selection of Design team LANDinc and West 8 for the urban park and waterfront trail — chosen for their extensive local and international experience in planning and designing large waterfront park projects.

December 2013 to March 2014
The province launches public meetings and online consultations encouraging Ontarians to help shape the vision for the park and trail at key stages in the design process. Ontarians also invited to provide feedback on the Environmental Assessment.

Chair's Message

On behalf of the Board of Directors and the management team of Ontario Place Corporation, we are pleased to present the operating results for the year ending December 31, 2013.

It was the first full year of operations following the government's 2012 announcement of revitalization and partial closure, and the Board and management recognizes success on many fronts at Ontario Place.

Most significantly, the $4.45M in self-generated revenues earned in 2013 represented 66% of total revenues. 2013 was the first year of operating with the smaller staff complement, necessitating continuous adjustments to business processes and systems. The management team effectively stabilized operations while generating a significant increase in site events and revenues within the resource limitations.

Also in 2013, the Board and staff continued to support the Ministry of Tourism, Culture and Sport future planning efforts for Ontario Place revitalization – in particular the development of the urban park and waterfront trail on the East Island.

Going forward, the Board remains committed to upholding its duties in governing the ongoing operations, supporting the revitalization efforts and providing stewardship to this public asset. This past year, there were several changes to the membership of the Board of Directors. I would like to acknowledge and thank Connie Dejak, David Angus and Basat Khalifa for their service to the Board. I would like to especially thank Joseph Halstead, past Chair of OPC, for his dedication and passionate support of Ontario Place. Further, I would like to acknowledge Nancy Kennedy and Victor Severino as new additions to the Board during 2013.

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, 2013.

Penny Lipsett
Chair
Ontario Place Corporation

2013 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.

As outlined in the *Ontario Place Corporation Act*, it is the duty of the Corporation to develop, control, manage, operate and maintain Ontario Place. The Board of Directors has governance accountability, provides strategic direction for the Corporation and is responsible for the effective oversight of its management. Under *The Act*, the Board shall consist of not fewer than seven and not more than 13 members appointed by the Lieutenant Governor in Council of whom one shall be a director of the Canadian National Exhibition Association.

Board of Directors

Joseph Halstead, Chair	June 1, 2005 – June 30, 2013
Penny Lipsett, Chair effective June 30, 2013	June 22, 2005 – October 17, 2014
David G. Angus	May 6, 2002 – March 20, 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
Nancy Kennedy	June 26, 2013 – June 25, 2014
Basat Khalifa	March 24, 2010 – March 23, 2013
M. Joanne Rider	September 8, 2009 – September 7, 2014
Victor Severino	June 26, 2013 – June 25, 2014
Winston Young Chair, Audit Committee	December 2, 2009 – December 1, 2014

* A Director of the Canadian National Exhibition Association

Senior Management Team

Eriks Eglite	Transition General Manager
Keith Brown	Senior Manager, Operations and Infrastructure
Hunter Saggar	Senior Manager, Corporate Services
Valerie Holliday	Executive Assistant to the Transition General Manager

Corporate Partners

Ontario Place Corporation wishes to acknowledge and express its appreciation to the following organizations for their cooperation and assistance in 2013:

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 Amphitheatre. With a capacity of over 16,000, the Amphitheatre is a summer concert venue that presents domestic and international entertainment.

Strategic Priorities

Following the February 1, 2012 announcement of partial closure and revitalization, the key priority of the Corporation for 2013 was to stabilize and strengthen its core operations. In addition, OPC remained committed to:

1. Ensure a safe site and maintain the infrastructure and capital assets, awaiting revitalization of the property.
2. Maintain the existing contractual partnerships with existing business partners
3. Support the Board and the Ministry with revitalization efforts.
4. Collaborate with the Toronto 2015 Pan American Games Organizing Committee to develop a "Pan Am Park" venue concept which includes Ontario Place.

Operating objectives for 2013 included:

1. Ensure business units were adequately resourced.
2. Identify and support new business opportunities.
3. Maximize park revenue through parking lot operations, marina operations, advertising, rentals of site and facilities for events and functions throughout the property.

2013 Financial Performance

During the transition to revitalization the following businesses continued to operate:

1. The Amphitheatre
2. Atlantis Pavilions
3. Ontario Place Marina
4. Parking lot operations with parking lot and site rentals which included Echo Beach & the Flats

The overall 2013 financial performance has been summarized from the Audited Financial Statements in the table below.

2013 Financial Performance Summary

	2013 Actuals (000s)	2012 Actuals (000s)
Revenues	$4,447	$3,842
Expenses	($5,074)	($10,511)
Ministry Operating Allocation	$2,210	$7,130
Net	**$1,583**	**$461**

The total revenues for the above stated business units represent a 15% increase over 2012 actuals. During 2013 operations, OPC posted high volumes of visitor traffic and site attendance. Amphitheatre, Atlantis, and parking lot event and site rental revenues all increased over 2012 revenues.

The table below represents an analysis of all revenues attributable to 2013 business units extracted from the 2013 and 2012 audited Financial Statements, which differ in presentation format

	2013		2012	
	Gross Revenue	Performance	Gross Revenue	Performance
Amphitheatre: License fees	$1,549,803	360,531 guests	$1,234,439	312,302 guests
Atlantis Pavilions: License fees	$169,029	39,257 guests	$164,489	30,036 guests
OPC Marina	$823,550	6,055 linear feet moorage	$830,605	6,252 linear feet moorage
Parking Lot Operations	$1,050,389	-	$1,160,362	-
Site & Parking Lot Event Rentals	$552,891	76 Events	$202,334	43 Events
Other Revenue	**$304,489**	-	**$249,897**	-
TOTAL	**$4,446,951**		**$ 3,842,126**	

AMPHITHEATRE

- Live Nation held 35 concerts at Ontario Place, compared to 29 concerts in 2012.
- This resulted in a 25% increase in license fee revenues over 2012.
- OPC provided a number of services (parking operations, security, traffic control) to support the Amphitheatre operations, some on a 'charge-back' basis.

ATLANTIS PAVILIONS

- License fee revenues were nearly 3% higher than 2012.

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.
- Marina revenues declined slightly, but not to the extent experienced in 2012 when revenues were 20% lower than 2011.

PARKING LOTS & SITE RENTALS

Ontario Place operated four 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. The lots generate revenue from individual pay parking for concerts and other events in the area, as well as whole or half lot rentals for a range of corporate, commercial and charity events.

Parking Lot Operations

- The lots continued to be busiest in August – revenues for this month account for nearly half of the total year. This is attributed to the volume of Amphitheatre / Echo Beach concerts and CNE overflow parking.
- Overall, parking revenues decreased slightly from 2012.
- Rates were not changed from those set in 2012: $12 in low season (November to April) and $20 in peak season (May to October).

Event and Site Rentals

Demand for use of the parking lots and Echo Beach increased significantly from 2012, generating a 76% increase in events held on site and over 173% increase in revenues.

- Ontario Place continues to be the venue of choice for several high-profile charity fundraising events including: the Princess Margaret Hospital's Road Hockey to Conquer Cancer, 2013 Scotia Bank Toronto Waterfront Marathon and 2013 Goodlife Fitness Toronto Marathon.
- OPC welcomed several new clients and events including the Michael Pinball Clemons Foundation Charity 5K Run, Rugby Canada, West 49 LRN2SK8 (Learn to Skate) and Santa Pur-suit Toronto 5K Charity Run.
- OPC parking lots are a popular venue for vehicle test drive events and in 2013 Toronto-area Porsche, BMW, Nissan and Ford dealers hosted events on site.
- The Canadian National Exhibition's presentation of the Canadian International Air Show, which attracted an estimated 14,000 spectators on the Ontario Place West Island over a three day period.

Filming at OPC

- Ontario Place was the site of a number television and promotional shoots in 2013 resulting in 10 days of on-site production presence for Cracked, YTV's Cache Craze and The Ron James Show. OPC continues to work with the The Ontario Film Office of the Ontario Media Development Corporation to promote Ontario Place as a viable location for film, TV and commercial productions. A Board-approved OPC Filming Policy is under review by the ministry.
- In addition, OPC provided over 15 site tours for prospective clients and location scouts. One of these clients included a Hollywood representative from Warner Bros. Pictures Inc. who followed up from a site tour to confirm "Ontario Place has some great looks which could greatly benefit the right project. I look forward to working with you in the future."

OTHER REVENUE

The following one-time revenues were recorded in Other Revenue:

- surplus asset sale revenues
- Payment in Lieu of Taxes appeal refund
- Utility refund

REVENUE GENERATING OPPORTUNITIES

OPC Continued to explore expanded revenues:

- Extension of OPC Admin building lease term to Live Nation
- Discussions with TO2015 to rent office space at Ontario Place in 2015
- Discussions with Extreme sports promotions for future events at OPC

2013 Business Performance

During this year, staff completed a range of activities in order to evolve the organization into a stable operating entity.

Human Resources

- The Corporation delivered its operations within the staffing resource cap of 25 FTEs, as well as employing approximately 40 summer students.

Health and Safety

- OPC assessed and realigned security protocols and operations to monitor and control site traffic, protect property and corporate assets, and maintain public safety as appropriate for a site which is partially open to the public.
- OPC conducted a comprehensive update of the Fire and Life Safety Plan and the Crisis Management Plan to reflect the new business mode, the organization structure and partially open site.

Corporate Activities

- OPC undertook a review of its outdated financial system to update it with a more appropriate, streamlined system that can meet the smaller needs.
- OPC continued to seek efficiencies and deliver savings in all areas of IT
- OPC undertook a review of various billing and account areas such as utilities, car leases and phone systems for savings or savings strategies and this will be continuing going forward.

Operational Activities

- The 155 acres of land and water lots, buildings, green space, roads and infrastructure are managed and maintained by a full-time work force of six staff, supplemented by summer season student help. Operations staff also support the expanding year-round Event operations.

Organizational Review

- OPC management and the Board continued to monitor and evaluate OPC's organizational effectiveness. The Board and management continued to engage the Ministry on how best to manage the property and the organization's transition to revitalization.
- One year after the government's February 2012 announcement of the revitalization project, the Board requested an independent Organizational Effectiveness Review in 2013 to determine level of staff engagement and operational effectiveness. The Board sought recommendations to ensure a functional and healthy transitional organization. The Board received the Final Report and it was shared with HROntario and the ministry. Management acted on key findings.

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, as part of the larger Pan Am Park venue cluster at Exhibition Place. By end of 2013, a draft Venue Use License Agreement was in circulation for final approval.

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 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 Canadian public sector accounting standards. 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	Hunter Saggar	Tsong Liu, CPA, CGA, MBA
Transition General Manager	Senior Manager, Corporate Services	Controller

Ontario Place Corporation

Financial Statements

For the Year Ended December 31, 2013

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

Independent Auditor's Report

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

I have audited the accompanying financial statements of the Ontario Place Corporation, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended, 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 audit. I conducted my audit 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 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 the Ontario Place Corporation as at December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Park Revitalization

While not modifying my opinion, I draw attention to note 14 to the financial statements which describes the financial impact on the Ontario Place Corporation of the closing of most park attractions while a major revitalization of the park is being planned and implemented.

Toronto, Ontario
October 23, 2014

Gary Peall, CPA, CA, LPA
Deputy Auditor General

Ontario Place Corporation

Statement of Financial Position
As of December 31, 2013

	December 31, 2013 ($ 000)	December 31, 2012 ($ 000)
ASSETS		
Current		
Cash – unrestricted	5,082	3,171
Cash – restricted [Note 3]	1,650	2,168
Accounts receivable [Note 4]	1,426	3,223
Inventory	27	23
Prepaid expenses and deferred charges	38	46
	8,223	8,631
Capital Assets [Note 5]	109,876	110,110
Capital Assets Under Lease Obligation [Note 6]	157	214
	110,033	110,324
	118,256	118,955
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities [Note 8]	460	779
Accrued employee termination benefits [Note 11(B)]	154	1,219
Current portion of obligations under capital lease [Note 7]	57	55
Due to the Province of Ontario	154	271
Deferred revenue	84	59
	909	2,383
Long Term Liabilities		
Accrued employee severance liability [Note 11(B)]	173	167
Obligations under capital lease [Note 7]	73	139
	246	306
Deferred Capital Contributions [Note 9]	8,198	8,428
Unspent Deferred Capital Contributions [Notes 3 & 9]	1,650	2,168
	9,848	10,596
Net Assets		
Invested in capital assets [Note 10]	101,682	101,682
Unrestricted	5,571	3,988
	107,253	105,670
	118,256	118,955

Contingency [Note 15]
See accompanying schedules and notes to financial statements.

Approved on behalf of the Corporation:

Director

Director

Ontario Place Corporation

Statement of Operations
For the Year Ended December 31, 2013

	2013 ($ 000)	2012 ($ 000)
Operating revenue [Schedule 1]	4,447	3,842
Administrative and operating expenses [Schedule 2]	(5,260)	(7,417)
Operating deficit before the cost of partial closure	(813)	(3,575)
Recovery/(cost) of partial closure [Note 14]	217	(3,060)
Operating deficit before the following:	(596)	(6,635)
Province of Ontario operating grants	2,210	7,130
Amortization of deferred capital contributions	748	690
Amortization of capital assets	(748)	(690)
Amortization of capital assets under lease	(31)	(34)
	2,179	7,096
Excess of revenue over expenses for the year	1,583	461

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Statement of Changes in Net Assets
For the Year Ended December 31, 2013

	2013 ($ 000)			2012 ($ 000)
	Invested in Capital Assets	Unrestricted	Total	Total
Net assets, beginning of year	101,682	3,988	105,670	105,209
Excess of revenues over expenses	-	1,583	1,583	461
Net assets, end of year	101,682	5,571	107,253	105,670

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Statement of Cash Flows
For the Year Ended December 31, 2013

	2013 ($ 000)	2012 ($ 000)
Operating Activities		
Excess/(deficiency) of revenues over expenses	1,583	461
Adjustments for items not requiring an outlay of cash		
Amortization of capital assets	748	690
Amortization of leased capital asset	31	34
Amortization of deferred capital contributions	(748)	(690)
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	325	(1,713)
Long-term portion of accrued employee severance liability	6	(576)
Cash provided by operating activities	1,945	(1,794)
Capital Activities		
Capital asset acquisitions – net	(488)	(1,008)
Cash used in investing activities	(488)	(1,008)
Financing Activities		
Obligation under capital lease principal paid	(64)	(55)
Cash used in financing activities	(64)	(55)
Increase (Decrease) in cash during the year	1,393	(2,857)
Cash, beginning of year	5,339	8,196
Cash, end of year	6,732	5,339
Cash - unrestricted	5,082	3,171
Cash - restricted	1,650	2,168
	6,732	5,339

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Schedules of Operating Revenue and Administrative and Operating Expenses
For the Year Ended December 31, 2013

	2013 ($ 000)	2012 ($ 000)
Schedule 1		
Operating Revenue		
Amphitheatre	1,550	1,234
Parking	1,047	1,262
Concessions and facility rental	729	246
Marina	671	692
Other revenue	250	183
Retail sales	149	143
Interest income	51	51
Cinesphere revenues	—	31
	4,447	3,842
Schedule 2		
Administrative and Operating Expenses		
Salaries and wages	2,102	2,826
Employee benefits [Note 11]	418	884
General and administration	1,185	1,447
Utilities	640	687
Site maintenance	268	344
Cost of retail sales	155	120
Janitorial	151	353
Transportation and communications	119	176
Supplies	93	96
Other	91	249
Advertising	29	121
Programming and entertainment	9	114
	5,260	7,417

See accompanying 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.

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 were closed.

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

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

2. Significant Accounting Policies

(A) BASIS OF ACCOUNTING

The financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards including the 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, rentals and marina dockage 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, 2013.

3. Cash – Restricted

The following grants from the Province of Ontario are held by Ontario Place as restricted cash:

	2013	2012
	($ 000)	$(000)
Unspent deferred capital grant	1,650	2,168
	1,650	2,168

4. Accounts Receivable

	2013	2012
	($ 000)	($ 000)
Province of Ontario	—	2,200
Trade	1,414	1,000
Other	25	38
	1,439	3,238
Less allowance for doubtful accounts	(13)	(15)
	1,426	3,223

5. Capital Assets

	2013			2012
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	($ 000)	($ 000)	($ 000)	($ 000)
Land, waterlots	101,660	—	101,660	101,660
Buildings	7,150	1,837	5,313	5,387
Attractions	1,997	1,030	967	1,146
Equipment, fixtures	3,085	1,216	1,869	1,911
Computer equipment	86	19	67	6
	113,978	4,102	109,876	110,110

The amortization expense for 2013 is $748,000 ($690,000 for 2012).

6. Capital Assets Under Lease Obligation

	2013	2012
	($ 000)	($ 000)
Equipment (cost)	314	342
Accumulated amortization	(157)	(128)
	157	214

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 2013 is $31,300 ($34,200 for 2012).

7. Capital Lease Obligation

The following is a schedule of future minimum lease payments which expire in 2015 together with the balance of the obligation.

	2013	2012
	($ 000)	($ 000)
2013	—	63
2014	57	63
2015	79	79
Up to 2016	—	6
Total minimum lease payments	136	211
Interest	(6)	(17)
Balance of the obligation	130	194
Less: current portion	(57)	(55)
	73	139

8. 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.

9. 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:

	2013	2012
	($ 000)	($ 000)
Balance, beginning of year	10,596	21,111
Amount amortized to revenue	(748)	(10,515)
Capital grants recognized	—	—
Balance, end of year	9,848	10,596

	2013	2012
	($ 000)	($ 000)
Deferred Capital Contributions	8,198	8,428
Unspent Deferred Capital Contributions	1,650	2,168
Balance, end of year	9,848	10,596

Unspent deferred capital contributions are held as restricted cash as described in note 3.

10. 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.

11. 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 $ 137,770 (2012 – $275,970), 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.

12. Property Tax Appeal

The Corporation filed an appeal with the City of Toronto for the tax years 2009-2013. If the appeal is successful, the Corporation would recover a portion of the taxes paid during that period. The amount, if any, cannot be determined at this time because the outcome of the appeal is uncertain.

13. 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 Corporation is not exposed to significant interest rate, currency, liquidity or credit risk arising from its other financial instruments due to their nature.

14. Park Revitalization

In July 2014, the Province announced its long-term vision to revitalize Ontario Place. The revitalization of Ontario Place will get underway with the construction of a new urban park and waterfront trail, expected to open in 2016. The next stage of work includes an environmental assessment and land-use planning process, further consultations with Ontarians and soil remediation.

As a result of the closure of most of the park's attractions and the upcoming revitalization, management has recognized the following costs/(recoveries):

	2013 ($ 000)	2012 ($ 000)
Impairment of capital assets	—	9,825
Amortization of deferred capital contributions relating to impaired capital assets	—	(9,825)
Gain on sale of assets	(257)	—
Severance	26	2,314
Other	14	16
Contract settlement	—	554
Write down of inventory	—	176
	(217)	3,060

15. 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.