

The Centennial Centre of Science and Technology
Financial Statements
For the Year Ended March 31, 2024



**ONTARIO
SCIENCE
CENTRE**
An agency of the
Government of Ontario

**CENTRE DES
SCIENCES
DE L'ONTARIO**
Un organisme du
gouvernement de l'Ontario

February 25, 2025

Management's Responsibility for Financial Information

Management and the Board of Trustees of The Centennial Centre of Science and Technology (the Centre) are responsible for the financial statements and all other information presented in the Annual Report. The financial statements have been prepared by Management in accordance with the Canadian public sector accounting standards, and, where appropriate, include amounts based on Management's best estimates and judgments.

The Centre is dedicated to the highest standards of integrity in its business. To safeguard assets, the Centre has a sound set of internal financial controls and procedures that balance benefits and costs. Management has developed and maintains financial and management controls, information systems and management practices to provide reasonable assurance of the reliability of financial information.

The Finance and Operations Committee and the Board of Trustees meet quarterly to oversee the financial activities of the Centre, including an annual review of the financial statements and the Auditor General's report. The Finance and Operations Committee recommends the financial statements to the Board of Trustees for approval. The financial statements have been approved by the Board of Trustees.

The financial statements have been audited by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The Independent Auditor's Report that appears as part of the financial statements outlines the scope of the Auditor's examination and opinion.

Paul Kortenaar, Ph.D.
Chief Executive Officer

Yoke Chung
Vice President, Corporate Services

INDEPENDENT AUDITOR'S REPORT**To the Board of Trustees of The Centennial Centre of Science and Technology
and to the Minister of Infrastructure****Opinion**

I have audited the financial statements of The Centennial Centre of Science and Technology (the Centre), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net (deficit) assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Centre in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 20 of the financial statements, which describes the estimated financial impact of the closure of the Centre on June 21, 2024. My opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the
Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Centre either intends to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Toronto, Ontario
February 25, 2025

Shelley Spence, FCPA, FCA, LPA
Auditor General

The Centennial Centre of Science and Technology

Statement of Financial Position

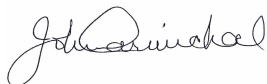
As at March 31, 2024

	2024 (\$ 000)	2023 (\$ 000)
ASSETS		
Current		
Cash	3,022	9,181
Cash – internally restricted reserve fund (Note 5)	1,041	993
Accounts receivable (Note 4(B))	689	526
Prepaid expenses	635	698
Inventory of general stores	132	128
	5,519	11,526
Capital Assets (Note 7)	7,901	8,499
	13,420	20,025
LIABILITIES AND NET (DEFICIT) ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	2,517	3,068
Deferred revenue (Note 8)	2,175	2,118
Due to Ontario Infrastructure and Lands Corporation (Note 15(A))	2,542	2,386
Due to the Province of Ontario (Note 18)	6,618	3,954
	13,852	11,526
Long-Term Liabilities		
Accrued legislated employee benefit obligation (Note 13(C))	1,615	1,783
Deferred capital contributions (Note 9)	5,883	6,903
	7,498	8,686
	21,350	20,212
Net (Deficit) Assets		
Invested in capital assets (Note 10)	2,018	1,596
Accumulated deficit	(10,989)	(2,776)
Internally restricted reserve fund (Note 5)	1,041	993
	(7,930)	(187)
	13,420	20,025

Commitments and Contingencies (Note 15)

The accompanying notes and schedule are an integral part of the financial statements.

Approved on behalf of the Centre:



Trustee



Trustee

The Centennial Centre of Science and Technology

Statement of Operations

For the Year Ended March 31, 2024

	2024 (\$ 000)	2023 (\$ 000)
Revenue		
Province of Ontario		
Operating grant	19,272	19,364
Other (Note 4(A))	297	4,920
Grants for ancillary operations (Schedule 1)	248	412
General admission	4,391	4,336
Parking fees	1,198	1,148
Revenue from ancillary operations (Schedule 1)	8,922	8,352
	<u>34,328</u>	<u>38,532</u>
Expenses (Notes 14 and 19)		
General operations		
Exhibits and programs	1,409	1,442
Marketing and advertising	2,166	1,638
Visitor services	3,572	2,970
Facility operations	9,207	8,302
Program management	4,933	4,426
Administration	5,840	5,684
Occupancy costs (Note 15(A))	5,540	5,454
Expenses from ancillary operations (Schedule 1)	8,255	8,188
	<u>40,922</u>	<u>38,104</u>
(Loss) Income before the undernoted items	<u>(6,594)</u>	<u>428</u>
Amortization of deferred capital contributions (Note 9)	1,606	1,509
Amortization of capital assets	(2,755)	(2,721)
	<u>(1,149)</u>	<u>(1,212)</u>
Net loss for the year	<u>(7,743)</u>	<u>(784)</u>

The accompanying notes and schedule are an integral part of the financial statements.

The Centennial Centre of Science and Technology

Statement of Changes in Net (Deficit) Assets

For the Year Ended March 31, 2024

	2024 (\$ 000)			2023 (\$ 000)	
	Internally Restricted Reserve Fund	Invested in Capital Assets	Accumulated Deficit	Total	Total
Balance, beginning of year	993	1,596	(2,776)	(187)	597
Investment in capital assets (Note 10)	-	1,571	(1,571)	-	-
Transfer to internally restricted reserve fund (Note 5)	48	-	(48)	-	-
Net loss for the year	-	(1,149)	(6,594)	(7,743)	(784)
Balance, end of year	1,041	2,018	(10,989)	(7,930)	(187)

The accompanying notes and schedule are an integral part of the financial statements.

The Centennial Centre of Science and Technology

Statement of Cash Flows

For the Year Ended March 31, 2024

	2024 (\$ 000)	2023 (\$ 000)
Cash flows used in operating activities		
Net loss for the year	(7,743)	(784)
Adjustments for items not requiring an outlay of cash		
• Amortization of capital assets	2,755	2,721
• Amortization of deferred capital contributions	(1,606)	(1,509)
	(6,594)	428
Changes in non-cash working capital (Note 6)	2,222	8,224
Reduction of accrued legislated employee benefit obligation	(168)	(310)
Net cash used in operating activities	(4,540)	8,342
Cash flows used in capital activity		
Capital assets acquisitions	(2,157)	(2,488)
Cash flows from financing activity		
Deferred capital contributions received	586	1,902
Net change in cash for the year	(6,111)	7,756
Cash, beginning of year	10,174	2,418
Cash, end of year	4,063	10,174
Cash Consists of:		
Cash	3,022	9,181
Cash – Internally restricted reserve fund	1,041	993
	4,063	10,174
Additional information:		
Capital assets acquired during the year but unpaid as at the year end	803	665

The accompanying notes and schedule are an integral part of the financial statements.

The Centennial Centre of Science and Technology

Schedule of Revenue and Expenses from Ancillary Operations For the Year Ended March 31, 2024

Schedule 1

	2024 (\$ 000)			2023 (\$ 000)		
	Revenue	Expenses	Net	Revenue	Expenses	Net
OMNIMAX® theatre	1,253	1,220	33	1,269	1,187	82
International sales and rentals	978	1,202	(224)	810	1,342	(532)
Educational programs and admission	1,158	1,951	(793)	921	1,861	(940)
Recreation and family learning experiences	699	814	(115)	371	544	(173)
Memberships	1,710	476	1,234	1,703	423	1,280
Concessions	658	377	281	490	225	265
Interest	423	-	423	380	-	380
Adult and corporate learning experiences	434	341	93	441	280	161
Development (Note 16)	1,834	1,483	351	2,356	1,947	409
Program support and other revenue	23	94	(71)	23	114	(91)
Bank and service fees	-	297	(297)	-	265	(265)
	9,170	8,255	915	8,764	8,188	576
Less: Grants for ancillary operations (Note 18)	(248)	-	(248)	(412)	-	(412)
Total	8,922	8,255	667	8,352	8,188	164

The accompanying notes and schedule are an integral part of the financial statements.

The Centennial Centre of Science and Technology

Notes to Financial Statements

March 31, 2024

1. Nature of the Business

The Centennial Centre of Science and Technology, commonly known as the Ontario Science Centre (the Centre), a government agency of the Province of Ontario, was incorporated without share capital pursuant to the *Centennial Centre of Science and Technology Act*. The objectives of the Centre are to:

- a) maintain and operate a science centre and related facilities that will stimulate the interest of the public;
- b) conduct a program of education in the origins, development and progress of science and technology, and their relationship to society;
- c) depict the role of Ontario in the furtherance of science and technology; and
- d) collect, manufacture, market, exhibit and sell objects and displays.

Under the *Centennial Centre of Science and Technology Act*, the Centre is exempted from federal and provincial income taxes.

On April 18, 2023, the provincial government announced the Centre will move to the redeveloped Ontario Place. Construction is expected to begin in 2025, with an opening slated for 2028.

Effective February 8, 2024, the oversight and governance of the Centre was transferred, on an interim basis from the Ministry of Tourism, Culture and Sport (MTCS) to the Ministry of Infrastructure during this period of transition to support the work related to the planning and construction of a new facility at Ontario Place.

On June 21, 2024, the Province announced the closure of the Ontario Science Centre facility (see note 20). The Centre is continuing operations and delivering public services through opportunities such as satellites, pop-ups, and virtual experiences.

2. Basis of Presentation

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards for government not-for-profit organizations that include the 4200 series of the Public Sector Accounting Standards. A statement of remeasurement gains and losses has not been presented as there is nothing to report therein.

3. Significant Accounting Policies

The significant accounting policies followed to prepare these financial statements are summarized below:

(A) REVENUE RECOGNITION

The Centre follows the deferral method of accounting for restricted operating grants from the Province which are recognized in revenue in the year the related expenses are incurred.

Provincial grants restricted for the purchase of capital assets are deferred and amortized into revenue over the same period as the related asset.

Revenue from exhibits manufactured for sale is recognized on a percentage-of-completion basis.

The Centennial Centre of Science and Technology

Notes to Financial Statements

March 31, 2024

3. Significant Accounting Policies (Cont'd)

Revenues from general admissions, parking and other ancillary operations are recognized when the services are provided.

Membership fees are deferred and recognized as revenue over the term covered by the fees.

Development revenue is comprised of donations and sponsorships. Unrestricted donations are recognized when funds are received. Sponsorship revenue is deferred and recognized over the term of the agreement.

(B) ALLOCATION OF EXPENSES

Expenses are reported in the Statement of Operations on a functional basis. The costs of each function include the salaries and benefits, supplies, and other expenses that are directly related to the function. The Centre also incurs general support expenses in the variety of activities it undertakes. These expenses are considered a function in their own right and are reported as Administration expenses.

(C) DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the amount of donations and government grants received and used, or to be used to acquire capital assets. Revenue is recognized over the same period as the expected life of the capital assets to which they relate.

(D) DEFERRED REVENUE

Deferred revenue is comprised mainly of deferred sponsorships, the unexpired portion of annual membership fees and deposits for recreational and family learning experiences, future exhibit and facility rentals.

(E) CAPITAL ASSETS

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

Leasehold improvements	5 to 10 years
Exhibits	5 to 10 years
OMNIMAX® theatre leasehold improvements	20 years
Exhibits – rentals	4 or 5 years
Furniture, fixtures and equipment	5 years
Computers	3 years

The land on which the Centre is located is leased from the City of Toronto for \$1 per annum on a 99-year lease, which commenced July 1, 1965. The Province owns the buildings, which house the Centre. For details of occupancy costs see note 15(A).

The Centennial Centre of Science and Technology

Notes to Financial Statements

March 31, 2024

3. Significant Accounting Policies (Cont'd)

(F) FINANCIAL INSTRUMENTS

The Centre's financial instruments, which include cash, restricted cash, accounts receivable, and accounts payable and accrued liabilities, due to Ontario Infrastructure and Lands Corporation and due to the Province of Ontario, are all valued at cost less any amount for valuation allowance.

(G) USE OF ESTIMATES

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 expenses during the reporting period. Estimates and assumptions may change over time as new information is obtained or subsequent developments occur. Actual amounts could differ from these estimates. The items subject to the most significant estimates are amortization of capital assets, accrued liabilities, deferred revenue, and accrued legislated employee benefit obligation.

(H) EMPLOYEE BENEFITS

The costs of severance entitlements under the *Public Service of Ontario Act* and unused vacation entitlements earned by employees during the year are accrued for in the financial statements. The costs of any legislated severance are recognized when earned by eligible employees.

(I) ADOPTION OF NEW ACCOUNTING STANDARD

Effective April 1, 2023, the Centre adopted PS 3400, Revenue. The implementation of the new standard had no material impact on the Centre and as such, the opening balance as at April 1, 2023 has not been restated. As at March 31, 2024, the Centre has appropriately recorded revenue in accordance with PS 3400.

4. Cash Availability and Risks Related to Financial Instruments

The risks related to the Centre's financial instruments are as follows:

(A) CASH AVAILABILITY AND LIQUIDITY RISK

The Centre's exposure to liquidity risk is mainly from its accounts payable and accrued liabilities of \$2,517,000 (2023 – \$3,068,000), Due to Ontario Infrastructure and Lands Corporation of \$2,542,000 (2023 – \$2,386,000) and Due to the Province of Ontario (including the impact of Bill 124) of \$6,618,000 (2023 – \$3,954,000). The Centre manages its liquidity risk by monitoring cash activities and projections through its financial reporting, budgeting, and forecasting processes. The Centre works closely with the Province to address any cash shortfall identified to ensure its financial obligations are met on time. As well, the Centre will also seek approval from the Board to use its internally restricted cash reserve fund of \$1,041,000 (2023 – \$993,000) as required (see also note 5).

During the year ended March 31, 2024, the Centre received additional funding of \$297,000 from the Province to support the Centre in the participation of a free admission program on May 6, 2023 to celebrate Coronation Day.

The Centennial Centre of Science and Technology

Notes to Financial Statements

March 31, 2024

4. Cash Availability and Risks Related to Financial Instruments (Cont'd)

During the year ended March 31, 2023, the Centre received additional funding of \$4,920,000 from the Province to support the Centre's ongoing operations and recognized as revenue during fiscal 2023 (refer to Note 17 for more detail).

There have been no significant changes from the previous year in the exposure to liquidity risk or to the policies, procedures and methods used to measure this risk.

(B) CREDIT RISK

The Centre's exposure to credit risk is minimal. The Centre determines on a continuing basis, the probable credit losses and sets up a provision for losses, if necessary, based on the estimated realizable value.

Below the accounts receivable aging is summarized:

				2024 (\$ 000)
	Current	+60 to 90 Days	+90 Days	Total
General accounts receivable	122	-	153	275
Admissions	156	-	37	193
Facility rental	5	-	-	5
International sales	187	2	27	216
Total	470	2	217	689

				2023 (\$ 000)
	Current	+60 to 90 Days	+90 Days	Total
General accounts receivable	302	-	83	385
Admissions	72	2	33	107
Facility rental	9	-	2	11
International sales	-	-	23	23
Total	383	2	141	526

(C) CURRENCY RISK

The Centre realizes approximately 1.20% (2023 – 0.06%) of its total revenue in foreign currency. Consequently, some assets and revenues are exposed to foreign exchange fluctuations. Cash, accounts receivable and deferred revenue in US dollars are converted into Canadian dollars at year-end.

5. Internally Restricted Reserve Fund

The Board approved a transfer to the internally restricted reserve fund of \$48,000 (2023 – \$28,000) from accumulated deficit. The reserve fund was established to provide funding for various capital and operating projects at the Centre. In December 2023, the Board approved the release of reserve funds of up to \$500,000, directed for the development of a new strategic master plan for the Centre.

The Centennial Centre of Science and Technology

Notes to Financial Statements

March 31, 2024

6. Change in Non-cash Working Capital

Cash provided by (used in):	2024 (\$ 000)	2023 (\$ 000)
(Increase) decrease in accounts receivable	(163)	1,890
Decrease in prepaid expenses	63	39
Increase in inventory	(4)	(28)
(Decrease) increase in accounts payable and accrued liabilities	(551)	391
Increase in deferred revenue	57	445
Increase in Due to Ontario Infrastructure and Lands Corporation	156	2,386
Increase in Due to the Province of Ontario	2,664	3,101
	<u>2,222</u>	<u>8,224</u>

7. Capital Assets

Capital assets consist of the following:

	2024 (\$ 000)			2023 (\$ 000)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold improvements	42,211	37,254	4,957	4,227
Exhibits	13,603	11,895	1,708	2,444
Exhibits – rentals	4,026	3,635	391	951
Furniture, fixtures and equipment	3,242	2,946	296	322
Computers	4,601	4,052	549	555
Total	67,683	59,782	7,901	8,499

The Centre disposed of \$16,928,000 (2023 – \$567,000) of assets that were fully amortized. The disposal has no impact on the Exhibit's net book value.

Net carrying amounts of Capital Assets (work-in-progress) not being amortized as at March 31:

	2024 (\$ 000)	2023 (\$ 000)
Exhibits	-	1,622
Exhibits – rentals	142	104
Furniture, fixtures and equipment	17	17
Computers	-	98
Leasehold improvements	-	652
Total	159	2,493

The Centennial Centre of Science and Technology

Notes to Financial Statements

March 31, 2024

8. Deferred Revenue

The changes in the deferred revenue balance are as follows:

	2024 (\$ 000)	2023 (\$ 000)
Balance, beginning of year	2,118	1,673
Add: contributions received	23,689	23,913
Less: amount recognized as revenue in the year	(23,632)	(23,467)
	<u>2,175</u>	<u>2,118</u>

The ending balance of deferred revenue consists of the following:

	2024 (\$ 000)	2023 (\$ 000)
Development	336	367
Memberships	915	1,111
Recreation and family learning experiences	420	300
International sales	394	233
Other	110	107
	<u>2,175</u>	<u>2,118</u>

9. Deferred Capital Contributions

The changes in the deferred capital contributions balance are as follows:

	2024 (\$ 000)	2023 (\$ 000)
Balance, beginning of year	6,903	6,510
Add: contributions for capital assets	586	1,902
Less: amount recognized as revenue in the year	(1,606)	(1,509)
	<u>5,883</u>	<u>6,903</u>

The ending balance of deferred capital contributions consists of the following:

	2024 (\$ 000)	2023 (\$ 000)
Health and safety initiatives	4,141	4,838
Exhibits	1,239	1,577
Digital transformation	503	488
	<u>5,883</u>	<u>6,903</u>

The Centennial Centre of Science and Technology

Notes to Financial Statements

March 31, 2024

10. Invested in Capital Assets

Invested in capital assets represents the following:	2024 (\$ 000)	2023 (\$ 000)
Balance, beginning of year	1,596	2,222
Capital assets acquisitions	2,157	2,488
Funding from capital contributions	(586)	(1,902)
Amortization of deferred capital contributions	1,606	1,509
Amortization of capital assets	(2,755)	(2,721)
	<u>2,018</u>	<u>1,596</u>

11. Property Maintenance and Repairs

Certain major maintenance and repair expenses of \$1,188,000 (2023 – \$704,000) incurred on behalf of the Centre are absorbed by the Province of Ontario, through Ontario Infrastructure and Lands Corporation, and are not included in the Statement of Operations.

12. Economic Dependence

The Centre is dependent on the Province of Ontario for financial assistance to cover some of the costs of operations. The Province of Ontario intends to provide the Centres' financial and operational support needed in order to meet its obligations and fulfill its mandate.

13. Employee Benefits

(A) PENSION BENEFITS

The Centre's full-time employees participate in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU-PF), which are defined benefit pension plans for employees of the Province and many provincial agencies. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU-PF, determines the Centre's annual payments to the funds. As the sponsors are responsible for ensuring that the pension funds are financially viable, any surpluses or unfunded liabilities arising from statutory actuarial funding valuations are not assets or obligations of the Centre.

The Centre's annual payment of \$1,934,000 for the current year (2023 – \$1,595,000), is included in salaries and employee benefit costs allocated to various expense categories in the Statement of Operations. See also note 14.

(B) POST-EMPLOYMENT NON-PENSION BENEFITS

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

The Centennial Centre of Science and Technology

Notes to Financial Statements

March 31, 2024

13. Employee Benefits (cont'd)

(C) ACCRUED LEGISLATED EMPLOYEE BENEFIT OBLIGATION

The accrued legislated employee benefit obligation includes accrued severance entitlements. The costs for the year amounted to \$79,000 (2023 – \$98,000) and are included in salaries and benefits, disclosed in note 14.

14. Breakdown of Expenses

Expenses are reported in the Statement of Operations on a functional basis. Total expenses by type are as follows:

	2024 (\$ 000)	2023 (\$ 000)
Salaries and benefits (Note 19)	24,307	22,044
Other direct operating expenses	16,615	16,060
	<u>40,922</u>	<u>38,104</u>

Administration costs of \$5,840,000 (2023 – \$5,683,000) consists of management salaries and benefits and other employee benefits totaling \$5,600,000 (2023 – \$5,167,000) included in the Salaries and Benefits; and professional development and office sundry costs totaling \$240,000 (2023 – \$516,000) included in Other Direct Operating Expenses.

15. Commitments and Contingencies

(A) OCCUPANCY COSTS

The Province, through Ontario Infrastructure and Lands Corporation, charges the Centre an accommodation fee for occupying its facilities. The fee covers rent, taxes, maintenance, and certain operating costs. The arrangement is in effect on a year-to-year basis until a new agreement is reached between the Centre and the Province. The minimum lease payment for the coming year is \$5,163,000 (2023 – \$5,024,000). The Statement of Financial Position includes an amount due to Ontario Infrastructure and Lands Corporation of \$2,542,000 (2023 – \$2,386,000).

(B) EXHIBITS AND SERVICES

The Centre has entered into contracts for various promotional, maintenance and utility services spanning several years. Total committed costs relating to these contracts are as follows:

	(\$ 000)
2024/25	2,968
2025/26	364
2026/27	98
2027/28	96
	<u>3,526</u>

The Centennial Centre of Science and Technology

Notes to Financial Statements

March 31, 2024

15. Commitments and Contingencies (Cont'd)

(C) CONTINGENCIES

Contingencies refer to possible legal claims that have been made against the Centre, the ultimate outcome of which cannot be predicted with certainty. Management does not expect that the outcome of the claims against the Centre will have a material and adverse effect on its financial results and does not believe any provisions for losses are necessary at this time. No amounts have been recognized in the accounts for claims made against the Centre. Any settlements will be accounted for at the time of settlement.

16. Development Revenue

The Centre is active in obtaining sponsorships and donations from the private sector to support new projects, experiences, and operations. Amounts pledged and agreed to but not recognized as revenue as of March 31, 2024 are as follows:

	(\$ 000)
2024/25	507
2025/26	110
2026/27	100
	<u>717</u>

17. Bridge Closure

As a result of the Centre's bridge closure effective June 3, 2022, additional costs have been incurred to relocate the visitor entrance and procure bus shuttle and marshalling services for ease of access to the new visitor entrance from the visitor parking lots. As a result, a revenue shortfall occurred in various areas of the Centre's Ancillary Operations during fiscal 2022-23 and the Centre received additional funding of \$4,920,000, recognized as Revenue – Province of Ontario – Other.

18. Related Party Transactions

The Province of Ontario and organizations controlled by the Province of Ontario are related parties of the Centre. Transactions with parties are outlined below:

- The MTCS provided the Centre an annual operating grant of \$19,271,500 (2023 – \$19,364,000).
- The Ministry of Public and Business Service Delivery (MPBSD) is responsible for providing OPS employee payroll processing services. These services are provided at no cost to the Centre.
- Payroll costs owed to the Province of Ontario as at March 31, 2024 is \$6,618,000 (2023 – \$3,954,000)
- The Province and other consolidating entities of the Province also provide Grants for Ancillary Operations totalling \$248,000 (2023 – \$412,000).
- The Ministry of the Attorney General (MAG) is responsible for providing OPS legal services. These services are provided at no cost to the Centre.

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18. Related Party Transactions (Cont'd)

In addition, related party transactions pertaining to:

- Cash liquidity and risks are disclosed in Note 4(A)
- Property maintenance and repair expenses are disclosed in Note 11
- Employee benefits are disclosed in Note 13
- Accommodation fees paid and owed to occupy the Centre's facilities are disclosed in Note 15(A)
- Funding to support revenue shortfalls and incremental costs as a result of the bridge closure are disclosed in Note 17

19. Bill 124

On November 9, 2019, Bill 124, which enacted the *Protecting a Sustainable Public Sector for Future Generations Act*, 2019 (Act) received royal assent. The Act provided for a three-year window of salary moderation and compensation restraint measures for bargaining and non-bargaining employees employed by the Ontario government, Crown agencies, and the broader public sector and a range of organizations that receive funding from the Ontario government. Under the Act, salary increases were limited to 1% for each 12-month period within the moderation period.

Labour organizations challenged the Act before Ontario's Superior Court of Justice. On November 29, 2022, the Court struck down the law in its entirety. On December 29, 2022, the Ontario government filed an appeal of the decision. On February 12, 2024, the Ontario's Court of Appeal announces its decision declaring Bill 124 unconstitutional. The Government repealed the Act on February 23, 2024.

During January 2024, parallel to ongoing legal proceedings, wage reopener awards were issued by arbitrators to members of the OPSEU/SEFPO Unified and AMAPCEO Bargaining Unit. The arbitrators awarded an additional 6.5% across the board increases over three years: January 1, 2022 to December 31, 2024 for OPSEU/SEFPO Unified, and April 1, 2022 to March 31, 2025 for AMAPCEO. The adjustments would be applied to all current and past employees, including members on any leave who were employed during the periods above.

On April 3, 2024, the OPS updated the Public Sector Leadership Compensation Strategy and announced that managers and executive will receive salary base adjustments, corresponding with those applicable to their bargaining agent/employee group counterparts. TBS announced that salary adjustment amounts and start date for all management and executives to continue to align with AMAPCEO wage reopener award.

The Statement of Operations includes an amount of \$1,053,000 for the salaries and benefits for the above two new Bargaining Unit collective agreements and for all management positions under Bill 124.

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20. Subsequent Events

On June 21, 2024, the Province announced the closure of the Ontario Science Centre facility at 770 Don Mills Road. As a result, cash deposits of \$2,045,000 received on or before March 31, 2024, from the Centre's Ancillary Operations were refunded to customers. Future commitments costs decreased by \$591,000 for facility-related vendor agreements that were committed on or before March 31, 2024 (see note 15B). The revised committed costs are as follows:

	(\$ 000)
2024/25	2,712
2025/26	223
	<u>2,935</u>

The closure has also led to possible claims against the Centre as noted in Note 15(C).

21. Comparative Figures

Certain comparative figures have been reclassified to conform to the basis of the financial statement presentation adopted in the current year.