

annual report 2004-2005

OTMPC



ontario tourism marketing partnership corporation

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board directors

Ontario Tourism Marketing Partnership Corporation's Board of Directors provides industry leadership and policy and strategic direction to the operation of the Corporation. The Board is responsible for the overall management of OTMPC and is ultimately accountable to the Minister of Tourism and Recreation.

Current Board Directors, 2004–2005

Ms. Anne Marshall, Chair
(Appointed June 4, 2003; reappointed June 5–September 30, 2004,
and October 1, 2004–March 31, 2005)
Director, Sales & Marketing, Elmhirst's Resort
Keene
March 30, 1999–March 31, 2005

Mr. Anthony Annunziata, Vice Chair
Executive Director of Marketing, Casino Niagara
Niagara Falls
July 4, 2001–September 23, 2006

Mr. Donald Black
Deputy Minister, Ministry of Economic Development and Trade
Toronto
October 7, 2004–October 6, 2007

Mr. Antoni Cimolino
Executive Director, Stratford Festival of Canada
Stratford
February 6, 2002–February 5, 2005

Mr. Ferg Devins
Vice President, Corporate Affairs, Molson Canada
Toronto
May 10, 2000–May 8, 2006 (resigned April 4, 2005)

Mr. Paul Dinner
Vice President, Hospitality Markets–Ontario
Royal Bank of Canada
Burlington
February 6, 2002–February 5, 2005

Mr. Michael Franceschini
Vice President & Managing Director, Toronto-Dominion Bank
Toronto
April 12, 2002–April 11, 2005

Ms. Donna Hanson
Owner, Hanson's King Island Lodge
Nestor Falls
July 10, 2003–July 9, 2006 (resigned September 10, 2004)

Mr. Ken Lambert
Vice President, Sales & Marketing, Delta Hotels
Toronto
April 12, 2002–April 11, 2005

Mr. Roger Liddle
Vice President, Liddle's Fishing Adventures Inc.
North Bay
September 24, 2003–September 23, 2006

Mr. Charles Lorimer
Vice President, Sales and Marketing,
ClubLink Corporation
King City
October 12, 2004–November 11, 2005

Ms. Virginia McKenzie
Owner, Temagami Anishnabi Tipi Camp, Bear Island
Lake Temagami
July 10, 2003–July 9, 2006

Mr. Edward Meijer
General Manager, Valhalla Inn
Thunder Bay
July 10, 2003–July 9, 2006

Mr. Michael Mulhall
President, Ottawa Riverboat Corporation and
President & CEO, e-kiosk Inc.
Ottawa
July 18, 2001–October 29, 2005

Mr. Joel Peters
Vice President, Marketing & Commercial Development
Royal Ontario Museum
Toronto
February 27, 2003–February 26, 2005

Mr. Bruce Walker
Executive Vice President, Vincor International Inc.
Mississauga
March 30, 1999–March 29, 2005

corporate contacts

Ontario Tourism Marketing Partnership Corporation

900 Bay Street
10th Floor, Hearst Block
Toronto, Ontario M7A 2E1
Canada

OTMPC Inquiries

Phone: 1-800-263-7836
Fax: 416-314-7574
E-mail: tourism.partnership@mtr.gov.on.ca

Travel Information for Ontario

1-800-668-2746 (English)
1-800-268-3736 (French)

Partner site: www.tourismpartners.com
Consumer site: www.ontariotravel.net



Ontario Tourism Marketing Partnership Corporation

annual report 2004–2005

OTMPC



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contents

2	Message from the Chair
3	Corporate Overview
4	2004–2005 Performance Highlights
4	Industry Research
5	Marketing Ontario
5	North America Markets
8	Overseas Markets
10	Tourism Consumer Information System
11	Northern Tourism Marketing
12	Market Development
15	Partnership Support
16	Return on Investment
17	Financial Statements
17	Auditor's Report
18	Balance Sheet
19	Statement of Operations and Accumulated Surplus
20	Statement of Cash Flows
21	Notes to Financial Statements



Ontario's tourism industry accounts for almost 33 per cent of total Canadian tourism revenues annually, generating in turn well over \$8.6 billion of the province's GDP.

message from the chair

IN FISCAL 2004–2005, THE TOURISM SECTOR BEGAN A GRADUAL REBOUND from the economic challenges and the devastating impacts of 2003. We saw industry renewal and an increase in both domestic and international visitors.

The OTMPC Tourism Revitalization Program, aggressive marketing campaigns and partner-oriented marketing programs provided a much needed boost. The industry's strong endorsement of a partnership approach drove tourism growth in Ontario.

marketing Ontario. The Board continues its work on identifying priorities and strategic directions in support of the provincial strategy.

Another key strategic priority was to significantly improve Ontario's image and consumer appeal over the next few years. In November, OTMPC initiated the Ontario Tourism Brand Review to better understand consumer habits and travel trends and to assess the competition in order to adjust overall messaging to meet consumer needs.

In September, the Government of Ontario formally endorsed OTMPC's long-term tourism industry partnership approach by amending its enabling regulation to remove the sunset clause.

The review process will provide the strategic framework to present Ontario to consumers in a fresh, new and exciting way and to ensure our marketing programs position Ontario as a must see travel destination.

We also welcomed new Board Directors, Charles Lorimer, Vice President, ClubLink Corporation, and Donald Black, Deputy Minister, Ministry of Economic Development and Trade to the "Dream Team." On November

The Northern Ontario Tourism Marketing Strategy: 2004 to 2007 was approved in June 2004 by the Board of Directors to strengthen the tourism industry in Northern Ontario by attracting more visitors, generating more tourism spending and creating more jobs in the tourism sector.

15, Sandra McInnis was appointed OTMPC's new President and Chief Executive Officer.

In September, the Government of Ontario formally endorsed our long-term tourism industry partnership approach by amending OTMPC's enabling regulation to reflect the continuation of the Ontario Tourism Marketing Partnership Corporation and the removal of the sunset clause. Since OTMPC's inception in 1999, we have made great strides with the support of our industry.

Finally, having been involved with OTMPC since 1999 both at the Committee and Board levels, I have seen first-hand the passion, creativity and sheer hard work that so many people have dedicated to growing our partnerships with the industry. I will continue to champion tourism in Ontario.

OTMPC's Board of Directors held a special session in September to discuss the Ministry of Tourism and Recreation's strategic directions of the Ontario Tourism Strategy. The outcome resulted in OTMPC's focus on strengthening strategic marketing and leading the "all government approach" to

As Chair in this my final year, I would like to thank all our industry partners, Committee and Board Members for their enthusiastic support, and OTMPC staff for their energy and dedication.

Anne Marshall
OTMPC Chair

The overall objective for all OTMPC marketing activities is to increase overnight leisure travel to destinations throughout Ontario in all four seasons.



corporate overview

ONTARIO PLAYS AN IMPORTANT ROLE IN CANADA'S TOURISM INDUSTRY, accounting for almost 33 per cent of national tourism revenues. At the Ontario level, with more than 118 million people domestically and internationally visiting the province each year, tourism directly contributes well over \$9.2 billion to the provincial Gross Domestic Product (GDP).

The Ontario Tourism Marketing Partnership Corporation (OTMPC) was established in 1999 to support Ontario's tourism industry. It is a consumer-driven business partnership between the tourism industry and the Government of Ontario with the following objectives:

- To promote Ontario as a prime tourist destination in both domestic and international markets
- To generate a vibrant and compelling image of Ontario as a premier four-season tourist destination
- To achieve its marketing goals through partnership with industry and government stakeholders.

OTMPC's industry-led Board is supported by an Executive Committee that sets overall priorities and recommends objectives and strategies, a Nominations Committee responsible for succession planning and recruitment of industry-led Marketing and Market Development Committees, a Market Performance

Assessment Committee that ensures appropriate measures are in place and regularly reported to the Board, and a Finance and Audit Committee overseeing and monitoring OTMPC's financial reporting systems.

To support OTMPC in the delivery of tourism marketing products and services in Northern Ontario, the Northern Tourism Marketing Committee was established in March 2003. The Marketing and Market Development Committees provide further guidance in the development and creation of marketing strategies for the Corporation. More than 100 industry volunteers serve on these committees for two-year terms, operating on a consensus basis and providing input based on their product, area or regional expertise. (For a breakdown of OTMPC staffing, see page 16.)

OTMPC Committees

Marketing	Market Development
• North America	• Outdoor
• MC&IT Sub-Committee*	• Town and Country
• Overseas	
• Northern Tourism Marketing	

* Meetings Conventions and Incentive Travel Sub-Committee

OTMPC's MANDATE: *To market Ontario, in partnership with the private sector, as a travel destination to maximize opportunities of the tourism sector for the overall benefit of Ontario.*

OTMPC's CORPORATE VISION: *To position the Ontario Tourism Marketing Partnership Corporation as the leading marketing agency in Canada.*

OTMPC's VISION FOR ONTARIO: *To make Ontario the premier four-season destination by offering our visitors satisfying experiences in our diverse nature, communities and culture.*

OTMPC's MISSION: *To grow Ontario's tourism sector year-round by stimulating increased consumer spending and visits and by generating greater partnership participation.*

The Corporation works strategically, proactively and collaboratively with the tourism industry to market Ontario as a travel destination in key markets. By working to improve continuously and evolve as a successful private/public partnership, the OTMPC plays a key role in strengthening Ontario's tourism economy and establishing Ontario as a premier, four-season destination.



OTMPC with the Ministry implemented a tourism revitalization program and continued to support industry by aggressively marketing Ontario as a safe travel destination.

2004–2005 performance highlights

AS AN AGENCY OF THE MINISTRY OF TOURISM AND RECREATION, the Ontario Tourism Marketing Partnership Corporation (OTMPC) supports the Ministry's vision to increase investment in Ontario's tourism industry by delivering innovative marketing strategies and programs to increase consumer demand for tourism products thereby maintaining jobs in Ontario's tourism sector.

Enhancing partnership is an essential component of OTMPC's business strategy. OTMPC continued to develop strong partnerships with key tourism partners such as Toronto, Niagara, Ottawa, FedNor and broaden the partnership base by building new partnerships, including ones with Muskoka, Kingston and Northern Ontario.

In 2004–2005, OTMPC marketed Ontario as a four-season destination targeting high yield domestic and international markets. OTMPC implemented an Experience-Based Marketing

Strategy focusing on Ontario's signature, "best-in-class" travel experiences to support the migration of Ontario's brand positioning from the current focus on Ontario travel activities and experiences to focus on emotional experiences associated with travel. The new strategy differentiated Ontario in the marketplace by creating a distinctly unique and powerful Ontario identity.

Another key strategy was the implementation of the Meeting, Convention and Incentive Travel (MC&IT) Strategy aimed at aggressively promoting this vital market whilst converting these travellers to future leisure travellers.

In response to the economic impact and negative image the SARS outbreak created, OTMPC with the Ministry implemented a tourism revitalization program and continued to support industry by aggressively marketing Ontario as a safe travel destination.

INDUSTRY RESEARCH

AN EXTENSIVE MARKETING RESEARCH PROGRAM GUIDES OTMPC'S MARKETING INITIATIVES, beginning at the strategic development phase, through testing of the creative, to measuring performance. The May 2004 Travel Intentions Study identified weak summer travel intentions from our core U.S. markets. These findings were examined further through additional consumer research in the near-border and mid-U.S. markets.

The creative approaches for our 2004 summer, fall and winter television advertising were pre-tested with consumers in both the domestic and the U.S. markets. Recognizing the importance of the Internet as a key source of travel information, we asked consumers to evaluate the Outdoor micro site, www.ontariotravel.net/outdoor. Feedback was very positive, and several improvement opportunities were identified. The redesigned Outdoor micro site will be launched in October 2005.

OTMPC also initiated a major multi-phased project to evaluate and identify improvement opportunities with www.ontario-travel.net, www.tourismpartners.com and 1-800-ONTARIO. This research will serve as a starting point for the Tourism Consumer Information System (TCIS) review.

OTMPC's publications strategy called for the development of a lure piece for international markets. Based on U.S. consumer feedback, the publication will focus on specific travel-planning information rather than on an emotional appeal.

To support the activities of OTMPC's Northern Office, an analysis of tourism in Northern Ontario as it relates to tourism volume, value and characteristics was conducted in partnership with FEDNOR.

This research provided insights into the economic impact of tourism on each of the travel regions in Northern Ontario.



(Left to right) Billboards from the “Union Station Domination” campaign, which featured a series of billboards promoting various themes of travel experiences in Ontario.

MARKETING ONTARIO

North America Markets

ONTARIO’S DOMESTIC MARKET IS BY FAR THE LARGEST SOURCE OF TOURISM VISITS AND REVENUES FOR THE ONTARIO INDUSTRY, accounting for 75 per cent of total trips and 52 per cent of total spending.

The U.S. border markets are our second largest source of tourism, representing 15 per cent of trips to Ontario and 83 per cent of total U.S. trips to the province. Quebec accounts for about 3 per cent of tourism trips and 4 per cent of tourism spending.

The overall marketing objective is to increase overnight leisure travel to destinations throughout Ontario in all four seasons. Summer is the priority season, followed by fall and winter.

As spring is a short season with limited tourism product availability, its marketing focus is on unique outdoor experiences such as festivals, events and rejuvenating activities.

Families and affluent couples are OTMPC’s primary target markets. Families are the focus of summer marketing activities and adults and couples in the other seasons.

Partnerships play a key role in OTMPC’s advertising campaigns, public relations and media relations activity, travel trade, product alliances, publications and the Tourism Consumer Information System (TCIS).

North America Advertising

The domestic market provided the backbone for Ontario’s tourism recovery in 2004–2005, while the U.S. market continued to be challenging.

Several factors such as the U.S. economy, the exchange rate, changing consumer sentiments and border-crossing issues impeded the return to pre-9/11 levels.

OTMPC’s summer program consisted of television spots, a newspaper insert in 18 key Ontario markets and six key U.S. markets, a six-page “Ontario Section” in the *Toronto Star* for six weeks, and a Summer Experience Guide.

OTMPC and industry partners once again developed a Toronto “Union Station Domination” event in June. Interactive components of the summer campaign included a micro site and online advertising.

For the Quebec market, OTMPC launched a campaign featuring Ontario beaches in major English and French Montreal newspapers.

The fall program, which involved television, newspaper and radio advertisements in the Ontario, Montreal and U.S. markets, generated approximately \$38 million in visitor spending.

The new *Ontario* magazine, supported by a micro site and online campaign, was launched at Union Station, bringing the fall experience to life for consumers.

OTMPC’s core winter campaign generated an estimated \$16 in visitor expenditures for every dollar invested by OTMPC.

It focused on Ontario only and included television and newspaper insertions. As part of the campaign, the winter edition of *Ontario* magazine was distributed in select LCBO stores and at OTMPC’s Union Station event.

Throughout 2004–2005, OTMPC continued to build strong partnerships with a wide range of industry partners, including the Canadian Tourism Commission (CTC), Air Canada, Resorts Ontario, Muskoka Tourism, Ottawa Tourism and Convention Authority, Kingston Economic Development Corporation and Blue Mountain Village.



(Left to right) RCMP officers in their dress uniforms strolled the streets of Toronto as part of the “Do Toronto” campaign; 2004 *Festival and Events Guide*; and detail of the “Secret Life of Sets” poster.

(North America Markets continued)

The following are highlights of this year’s OTMPC partnership activities:

- Rogers Media Group provided OTMPC with an opportunity to partner with Chrysler Canada on four inserts featuring the following themes and categories: family, golf, outdoor and urban activities. Each insert was distributed in targeted Rogers’s magazines including *Maclean’s*, *Canadian Business*, *MoneySense*, *PROFIT*, *Chatelaine* and *Today’s Parent*. Total distribution was 1.5 million.
- Tourism Toronto, the City of Toronto and OTMPC launched a summer “Do Toronto” Mounties retail promotion. Every weekend in July and August, Royal Canadian Mounted Police officers strolled Toronto’s streets, festivals, and major events on the lookout for tourists with whom to have their picture taken. More than 11,000 tourists had their pictures taken alongside a Canadian icon. The promotion included a Mountie schedule, map, micro site and an online campaign.
- The summer “Even More for Even Less” newspaper, radio and micro site campaign in the Buffalo and Rochester markets was so successful that Mirvish Productions and OTMPC decided to extend the theatre packages promotion into October.
- The Art Gallery of Ontario and OTMPC undertook a joint advertising campaign featuring the Whistler, Turner and Monet: Impressionist Visions exhibit. The campaign, which included newspaper, magazine and interactive advertising in Ontario, Quebec and the United States, was a big hit, especially with U.S. visitors. In a peak week, attendance reached 25,000, with as many as 7,000 visitors from the United States—roughly 60 per cent more than expected.
- Niagara Falls Tourism, Tourism Toronto, CTC and OTMPC leveraged the success of a spring 2004 magazine insert with an eight-page follow-up piece distributed in the October issues of *Vanity Fair*, *Vogue*, *Architectural Digest*, *Condé Nast Traveller* and *Gourmet*.

As part of the campaign, Condé Nast’s *Architectural Digest* magazine provided the “Secret Life of Sets: Set Decorators at Work” exhibition at the CN Tower for a four-month period in the fall and winter. The exhibit, which included interactive movie sets and behind-the-scenes artwork, photos and film clips from the Academy of Motion Pictures and Sciences, garnered tremendous media coverage.

- A TVOntario partnership resulted in the development of 10, two-minute educational vignettes promoting tourism destinations or activities based on tourism industry partners in Ontario. The vignettes aired a minimum of 25 times during 2004–2005.

Meetings Conventions and Incentive Travel (MC&IT)

In 2004–2005, a positioning statement of “For extraordinary success, try an extraordinary place. Ontario” was developed to promote Ontario as a premier meeting, convention and incentive travel destination.

OTMPC’s strategic direction continued to focus on maximizing growth and promotion of Ontario’s MC&IT products by participating in key industry trade shows attended by planners and influencers of meetings, conferences and incentive travel.

Partnering with 10 Destination Marketing Organizations (DMOs) and their suppliers under an Ontario-Canada brand, OTMPC exhibited and coordinated promotional activity at CMITS (Canadian Meeting & Incentive Travel Symposium & Trade Show), CSAE’s (Canadian Society of Association Executives) National Conference & Showcase, the Motivation Show (IT&ME), Association Forum’s Holiday Showcase and MPI’s (Meeting Professionals International) World Education Conference. Additionally, OTMPC and six partners sponsored MPI’s WEC’s CMM Session. Ontario also exhibited at EIBTM (European Incentive, Business Travel & Meetings Exhibition).

To support trade and promotional activity, the OTMPC partnered with 12 DMOs/Associations in the development of a 32-page *Meeting & Convention Guide* for distribution at industry shows and conferences, CTC sales missions, mailing lists and



(Left to right) Television stills from the Collingwood winter skiing promotion. (Far right) Cover of the *Meet in Ontario: Meeting and Convention Guide*.

(North America Markets continued)

trade media. Modifications were also made to the existing MC&IT web site to include information relevant to planners and additional links to DMO web sites.

Ontario was a featured destination in MPI's February 2005 issue of *The Meeting Professional*, with a circulation of 30,000 meeting planners and suppliers. Editorial was complimented by a full-page, four-colour advertisement. Ontario was also a featured destination in the November 2004 issue of *Meetings East* magazine, distributed to 22,000 qualified meeting planners from key M&C markets.

as well as in major travel and leisure publications such as *National Geographic Traveler*, *Arthur Frommer's Budget Traveler*, *Saveur* and *Gourmet*.

Television coverage also increased. OTMPC sponsored four shows with PBS' *Dave Eckert's Culinary Travels* and supported TSN's *Golf the World*, in addition to garnering national radio coverage on NPR. Internet media continued to grow in importance, and Ontario stories regularly appeared on, for example, NationalGeographic.com and ArthurFrommersBudgetTravel.com.

OTMPC profiled Ontario's wine and culinary experiences at key media events such as the 2004 Media Marketplace in Pasadena and the San Francisco Media Wine dinner.

OTMPC also participated with other Canadian destinations at luncheons or dinners in seven major U.S. media centres: Seattle, Denver, Chicago, Washington, San Francisco, Boston and New York.

In 2004–2005, the North America media relations program enjoyed significant growth over the previous year, generating media coverage with a PR value of more than \$58.5 million.

North America Media Relations Program

In 2004–2005, the North America media relations program enjoyed significant growth over the previous year, generating media coverage with a PR value of more than \$58.5 million. A major media relations highlight was the exhibit, *Secret Life of Sets: Set Directors at Work*, co-sponsored by the CN Tower, Tourism Toronto and OTMPC. Media coverage of the exhibit reached an estimated 23.5 million Canadians, generating a PR value of more than \$1.6 million.

In the domestic market, OTMPC placed travel stories in the *Toronto Star*, *Toronto Sun*, *Kingston Whig Standard*, *Globe & Mail*, *Ottawa Citizen*, *Vancouver Sun*, *Clin d'Oeil*, *L'Express*, and *Winnipeg Free Press*. *Canada AM* and CBC Radio One's *Fresh Air* both carried Ontario travel stories. Inroads were also made into the Quebec media market.

In the U.S. market, OTMPC placed stories in major newspapers (*New York Times*, *New York Post*, *Washington Times*, *Chicago Tribune*, *USA Today*, and *San Francisco Chronicle*)

North America Travel Trade

The North America Travel Trade program works closely with tour operators to promote Ontario destinations. Joint Marketing Agreements (JMAs) are a key component of the program and increased from 5 in 2003 to 11 in 2004.

These agreements resulted in \$8 million in sales, with 17,000 passengers and 15,000 Ontario room nights.

OTMPC also participated at trade shows and industry conferences across North America. The Corporation supported eight familiarization tours involving 200 operators or agents and worked with the American Automobile Association (AAA) in the United States to provide 11 training sessions involving more than 200 AAA staff in Ohio, Michigan and Upstate New York.

Domestically, OTMPC partnered with the Canadian Automobile Association (CAA) in Quebec for a program that generated sales of \$500,000 and delivered 2,000 passengers to Ontario.



The "Winter in the City" campaign featured activities in Ottawa, including family events during Winterlude.

Overseas Markets

European Market

OTMPC's European marketing activity is focused on the United Kingdom and Germany, which account for about 53 per cent of all European visits and 58 per cent of all expenditures.

In 2004–2005, OTMPC partnered with 14 tour operators in the United Kingdom and Germany through Joint Marketing Agreements (JMAs). This brought almost 90,000 passengers to Ontario and Toronto. Tourism Toronto continued to be a major partner in these activities.

Quebec, from September 25–29, with the Ontario portion held on September 27–29.

OTMPC, with Tourism Toronto, participated in a U.K. fall campaign promoting pre-Christmas shopping packages and short getaways to Toronto and Ontario.

The campaign included a 16-page supplement in the *Sunday Times*, with circulation of 1.3 million. U.K. tour operators purchased ad pages in the supplement. Radio advertising and joint consumer ads were launched with tour operators generating about 2,700 new passengers to Toronto between October and mid December 2004.

OTMPC's European media relations activities in 2004–2005 generated close to \$27 million in unpaid editorial coverage, a significant increase from the previous year. More than 40 media tours were organized, involving 86 journalists from the United Kingdom, Germany, France and Italy.

World Travel Market in London, England, was held November 8–11, 2004. Ontario's profile at the show was enhanced by attendance at the CTC Canada exhibit through a partnership with Tourism Toronto. OTMPC met with 50 U.K. tour operators to discuss and finalize JMAs. OTMPC also co-hosted a reception for 80 tour operators and media.

In early 2005, OTMPC worked in collaboration with the Tourism Toronto and Air Canada on a U.K. television campaign. OTMPC supported

The U.K. sales mission was held from June 14–18, 2004, and the German mission ran from June 21–25, 2004. OTMPC and Ontario delegates visited 10 U.K. and 14 German key tour operators, where they met product managers and provided product training to 300 reservation agents.

In early September, OTMPC attended, for the first time, the CTC trade show Conozca Canada in Mexico. Here OTMPC met with about 34 tour operators and conducted travel-agent training.

In partnership with Tourism Quebec, OTMPC hosted the Ontario/Quebec Marketplace 2004 (OQM) in Gatineau,

the CTC parallel program in the United Kingdom and Germany through retail newspaper ads with tour operators. The campaigns were completed in January and February 2005.

From March 7–9, 2005, OTMPC participated at Spotlight Canada, a U.K. trade show, organized by the CTC that produced 29 one-on-one appointments with major U.K. tour operators and wholesalers.

OTMPC attended International Tourismus-Börse (ITB) in Berlin from March 11–15, 2005, within the CTC Canada Pavilion. The Honourable Jim Bradley, Minister of Tourism and Recreation,



(Left to right) Promotional piece produced in partnership with DerTour in Germany, the U.K. *Sunday Times* 16-page newspaper insert, and an Asia-Pacific promotion.

(Overseas Markets continued)

attended the event along with 140,000 consumers and 70,000 trade participants. Approximately 40 meetings were held with the travel trade over the course of the show. OTMPC, along with other Canadian provinces, helped sponsor a Canada Night event at the new Canadian Embassy.

Finally, OTMPC also hosted numerous familiarization trips, welcoming more than 180 European travel agents and reservation agents from 12 key tour operators.

OTMPC's European media relations activities in 2004–2005 generated close to \$27 million in unpaid editorial coverage, a significant increase from the previous year. More than 40 media tours were organized, involving 85 journalists from the United Kingdom, Germany, France and Italy. And additional five media tours involving nine journalists were generated from other European markets.

Highlights of the U.K. media coverage received in 2004–2005 included: *Mail on Sunday*, “Hollywood Toronto” Toronto; *Sunday Mirror*, “Canadian Canoeedle”; and *Sunday Express*, “Beauty of Fall Time,” featuring Algonquin Provincial Park, Bruce Peninsula, Georgian Bay, Niagara Region, Killarney Provincial Park and Killbear Provincial Park.

Highlights of the media coverage in Germany during 2004–2005 included: *www.yahoo.de*, “Auf Schlittschuhen durch Ottawa” Ottawa, *DB Mobil*, “Auf der Indianer Schiene” James Bay, and *Lisa*, “Naturschoenheit Ontario - Im Land des glitzernden Wassers” outdoor product.

Asia-Pacific Market

The Asia-Pacific market generated \$760 million in 2004, or 32 per cent of the overseas visitor spending in Ontario. OTMPC's marketing focus is on Japan, Australia, South Korea and China.

In January 2005, China announced that it would grant Approved Destination Status (ADS) to Canada. With ADS des-

ignation, Canada will be able to receive Chinese tourist groups through travel agents authorized by the China National Tourism Administration. By 2020, China is forecast to be the world's fourth largest generator of outbound tourism, producing 100 million travellers annually.

For a second year, the Deputy Minister of Tourism and Recreation led a mission to Japan and a first-time visit to China. The delegation met with key tour operators, travel industry organizations and senior government officials.

In 2004–2005, OTMPC negotiated 15 Joint Marketing Agreements (JMAs) with key Japanese industry partners and expanded sales promotions with HIS Travel. Partner contributions totalled more than \$1 million on an OTMPC investment of slightly more than \$400,000.

OTMPC hosted five familiarization tours involving 70 tour operators from Asia-Pacific markets. OTMPC also actively participated in numerous trade shows, including:

- Kanata-Japan
- Showcase-Korea,
- Corroboree-Australia
- CITM-China
- Active America-Portland
- JATA-Japan.

At JATA, 10 Ontario stakeholders participated in an Ontario Marketplace where over 110 people representing 83 companies held meetings with Ontario suppliers.

OTMPC and the Ontario Investment Marketing Centre (IMC) in Shanghai coordinated a visit to Ontario of a Chinese television program that reached more than 120 million people with a public relations value of over \$2 million.

In addition, OTMPC organized six press trips with representatives from 30 media outlets. Overall, Asia-Pacific media results for 2004–2005 generated coverage worth more than \$7.2 million.



Television stills from the “Fire Up Your Senses” campaign promoting fall activities throughout Ontario, including hiking in Haliburton and dining in Toronto.

Tourism Consumer Information System (TCIS)

OTMPC’S TOURISM CONSUMER INFORMATION SYSTEM (TCIS) SHOWED STEADY GROWTH through 2004–2005. TCIS incorporates a consumer web site at www.ontariotravel.net, an industry web site at www.tourismpartners.com, the 1-800-Ontario call centre and a fulfillment centre.

User sessions on www.ontariotravel.net grew to 2.3 million, a 42 per cent increase over last fiscal, and registrations grew to almost 94,000 for the year. OTMPC campaign-based contests contributed 26 per cent of registrations to the web site.

Approximately 60 per cent of consumer registrations opted to receive ongoing communication from OTMPC. This percentage has been maintained since the launch of the site in 2002.

Calls to the 1-800-ONTARIO call centre have been declining over the last five years as consumers increasingly prefer searching the web for travel information. Calls to agents at the call centre for 2004–2005 decreased by 7 per cent to approximately 291,000 calls. In 2004–2005, consumers requested over 257,000 fulfillment pieces and 34 per cent of these were ordered through www.ontariotravel.net.

Publications were also available for download on the site and consumers downloaded close to 432,000 publications, no change from the previous fiscal year.

In 2004–2005, the industry web site, www.tourismpartners.com, saw an increase of 4,700 registrations, a 47 per cent increase over the previous year. This was due in large part to a partnership with the Ministry of Tourism and Recreation to include web site registration with their annual tourism survey. User sessions on the web site increased by 43 per cent to a total of 82,400.

Several micro sites were developed to feature seasonal campaigns or specific experience verticals and to provide more detailed and targeted information for consumers. More than 800 industry package offerings are available on these micro sites with links directly to the industry partner web site. User sessions on micro sites range from 70,000–90,000.

E-marketing initiatives, including e-mails and online advertising, were deployed to support these campaigns. They showed good results with click-through rates for online ads of up to 7 per cent and e-mail open rates ranging from 10 to 40 per cent.

To assist in defining the on-going development of the TCIS, a multi-phased research initiative was completed that included consumer focus groups, online surveys and competitive web site analysis. Results of this research will be incorporated into future planning and development of the system.

“OTMPC’s increased participation in US trade shows and other client promotional activities this year boosted Ontario’s MC&IT profile. The launch of a new meeting and convention guide, featuring 12 DMOs, was also extremely well received by the meeting industry.”

Britta Winther, Chair
OTMPC MC&IT Sub-Committee



(Left to right) Snowmobile Paradise Ontario program entered its second year; 2005 Francophone Destination North brochure; *Outdoor Adventure Guide*; cover of 16-month *Outdoor Adventure Calendar*.

NORTHERN TOURISM MARKETING

TOURISM IS ONE OF NORTHERN ONTARIO'S MOST IMPORTANT INDUSTRIES, accounting for direct tourist expenditures of more than \$1.7 billion in 2004.

In June 2004, OTMPC's Board of Directors approved the *Northern Ontario Tourism Marketing Strategy: 2004 to 2007* that focuses on both domestic and international markets. It identifies a series of key marketing objectives derived from an analysis of the tourism industry market conditions in Northern Ontario and discussions with OTMPC.

- Ontario Ministry of Northern Development and Mines
- Ontario Ministry of Natural Resources.

OTMPC's Northern office coordinated 26 consumer trade shows in 2004–2005. For the Go Fish Angling program, OTMPC attended 11 angling shows in Ontario and U.S. border states.

The micro site www.ontariotravel.net/gofish attracted 84,372 visitors and 14,331 registrations for the on-line contest. This led to 28,000 click-throughs to partner packages.

To support the Snowmobile Paradise Ontario program, OTMPC attended 10 snowmobile shows in Ontario, Quebec and U.S. border states. Campaign results show that the web site www.ontariotravel.net/snowmobile had, between November 1 and March 31, some 52,485 visitors and drove 38,000 registrations to the contest.

To support the Snowmobile Paradise Ontario program, OTMPC attended 10 snowmobile shows in Ontario, Quebec and U.S. border states. Campaign results show that the web site www.ontariotravel.net/snowmobile had, between November 1 and March 31, some 52,485 visitors and drove 38,000 registrations to the contest.

Destination Nord distributed 60,000 copies of the French edition of the 2004–2005 *Outdoor Adventure Guide* at five consumer shows in Quebec and through web and phone inquiries.

The strategy is based on continuing collaboration with key partners:

- Northern Ontario Travel Association Programs (NOTAPs)
- Northern Ontario Native Tourism Association (NONTA)
- Destination Nord
- Ontario Federation of Snowmobile Clubs (OFSC)
- Nature and Outdoor Tourism in Ontario (NOTO)
- FedNor
- Ontario's North, which represents key Northern Ontario attractions and cities (North Bay, Sudbury, Timmins; Sault Ste Marie, Thunder Bay)

NONTA used international and U.S. programs to help market their remote aboriginal partners. Moccasin Trails Inc. (a division of NONTA) increased total sales to almost \$600,000.

A consumer ad campaign by Ontario's North reached 3.1 million qualified travellers in the border states.

NOTO distributed 110,000 copies of the 2005 *Outdoor Adventure Guide* and 50,000 CDs at two Ontario and eight U.S. trade shows, 11 All-Canada shows, and through travel clubs, the Ontario Travel Centres, 1-800 Ontario and www.ontariotravel.net.



(Left to right) *Ontario Great Fall Drives* guide; OTMPC profiled Ontario's wine and culinary experiences at the 2004 Media Marketplace in Pasadena; Town and Country brochure promoting getaways.

MARKET DEVELOPMENT

IN 2004–2005, OTMPC CONTINUED TO DEVELOP NEW NICHE MARKETING partnerships and broader, experience-based vertical partnerships.

Outdoor: Nature and Adventure

This year, OTMPC implemented the first of the vertical experience categories with the development of the Outdoor: Nature and Adventure Strategy, which included key partners such as: Paddling Ontario, Arts in the Wild and the new alliance, Fly-In Adventures.

- The *Great Ontario Adventure Calendar* was piloted for use as a fulfillment piece at consumer shows and directly mailed to consumers registered with OTMPC who had shown a specific interest in outdoor activities.
- Over 20,000 consumers registered for two contests held during the year to simulate interest in the new web site and to develop a database of consumers with a specific interest in outdoor, nature and adventure experiences and a desire to receive future communications from OTMPC.

Town and Country

For the Town and Country category, 2004–2005 was a year of research and discussion about the opportunities to integrate existing marketing alliances and develop a Town and Country experiential vertical marketing strategy.

Research revealed significant consumer interest in exploring Ontario's small towns and villages, inns, wineries and theatre getaways. It was apparent that price-sensitive consumers

demand clear and compelling offers at mid-price points. Partners expressed an interest in continuing the integrated and multi-layered partnership approach.

Existing alliances continued to grow and develop during 2004–2005. Theatre getaways offered through the Just the Ticket program showed strong results, generating 3,915 room nights. Partners reported 40–60 per cent increase in new business, confirming a key element of the strategy that was to target new and lapsed theatre-goers.

Great Drives

Great Drives is a new and consolidated, partnered marketing program that offers a series of driving tours in and around Ontario targeting couples for fall and families during the

Research revealed significant consumer interest in exploring Ontario's small towns, villages, inns, wineries and theatre getaways.

The strategy was based on connecting the consumer to over 400 of the best nature and adventure experiences through a new web site www.ontariotravel.net/outdoor, launched March 15, 2004. By year-end, the site recorded more than 123,000 user sessions and had been highly rated in focus group testing.

The Outdoor: Nature and Adventure web site was supported by a number of activities all designed to drive the consumer to visit the web site and, more importantly, register with OTMPC for future communications.

- OTMPC participated in consumer shows such as the Ski-Snowboard Show with Ontario Ski Resorts Association in October 2004, the Toronto Advil Adventure with Ontario Parks in February 2005, and the New York City Adventure Show in January 2005.



(Left to right) TVO vignettes promoting Ontario’s natural wonders and the pleasures of the outdoors.

(Market Development continued)

summer vacation season. The format of the tours will be Grand Tours (3–7 days); Great Weekend Drives (2–3 days); and Great Day Trips (with DMOs).

A key element of Great Drives is to engage Destination Marketing Organizations (DMOs) along each route to identify and develop the routes. Field staff of the Ministry of Tourism and Recreation will play a key role in facilitating the identification of the drive routes and the selection and development of experiences to highlight.

In 2004–2005, OTMPC undertook a thorough review of City product development. It became apparent that OTMPC did not need to play a market development role in Ontario’s major destinations due to the presence of strong Destination Marketing Organizations and municipal economic development offices in urban areas such as Toronto, Ottawa and Niagara Falls.

Strategic Partnerships

During 2004–2005, OTMPC entered into a strategic tourism development and marketing partnership with Industry Canada, FedNor and the Canadian Tourism Commission for Northern Ontario. In

the first year of the partnership, a total of \$1.9 million (OTMPC: \$750,000, FedNor: \$760,000, CTC: \$35,000, private sector: \$448,500) was directed to building northern partnership strategies in three key areas:

- Supplier Development/Capacity Building*
 - Introduction to the Travel Trade: 101 participants in 7 sessions
 - Customer Relations Management and E-Commerce: 9 workshops with 150 participants
- Marketing Alliance Partnerships*
 - New marketing alliance, Fly-In Adventures: 26 of Northern Ontario’s best fly-in outfitters partnered with OTMPC and FedNor to promote the fly-in experience tied to nature and adventure.
 - Paddling Ontario, in partnership with OTMPC and FedNor, targeted the near border U.S. and GTA adventure consumer.
- Strategic Marketing for Northern Ontario*
 - Go Fish angling program: \$1.2 million was invested in the near-border markets.

2004-2005 MARKETING ALLIANCE RESULTS

Results: Market Development Committees	User Sessions	Media Value	Experiences Sold	Room Nights	Revenue \$
City Committee	145,646	\$210,000	13,100	10,044	\$2,287,670
Town and Country Committee	50,608	\$3,810,000	2,922	4,014	\$828,306
Outdoor Committee	186,846	\$1,050,000	2,165	2,615	\$445,392
Total	383,100	\$5,070,000	18,187	16,673	\$3,561,368



TVO vignettes focusing on urban pleasures, including the bright lights and excitement of Ontario’s cities.

(Market Development continued)

Tourism Revitalization Program

In April 2004, the Government of Ontario continued the Tourism Revitalization Program (TRP – formerly the Tourism Recovery Program) to revitalize Ontario’s tourism industry and to continue to rebuild global confidence in Toronto and Ontario as a world-class destination. OTMPC retained its integral role in delivering Tourism Revitalization advertising and supporting the delivery of several of the various TRP components.

Since its creation in April 2003, the program has invested in 240 different tourism marketing initiatives across the province. The program approved \$7.3 million in funding through the Event Marketing and Development Fund and the Destination Marketing Partnership Program. Results to date indicate that the projects generated over \$18 million in revenues and leveraged over \$4.1 million in cash from the tourism industry. The program ended March 31, 2005. Final analysis is not available at fiscal year-end, as the required reports from the approved projects continue to be submitted. A regional breakdown of the number of approved projects is listed below:

Region	2003–2004	2004–2005
Central Region–GTA	36	12
Central Region–Non-GTA	13	12
Southwestern Region	18	20
Eastern Region	16	17
Northern Region	14	12

Highlights of the successes of the Tourism Revitalization Program include:

- The Shaw Festival in Niagara-on-the-Lake reported sales of 1,325 packages generating over \$640,000 in revenue from the Winter/Spring 2004–2005 enhanced marketing campaign. The Festival also reported that 34 per cent of that revenue was generated from visitors from U.S. markets.
- The Georgian Triangle Tourism Association and Convention Centre reported that their 2004–2005 revitalization campaign generated revenues of \$850,000 with the sales of almost 3,000 packages.
- The North Bay Winter campaign sold 395 packages resulting in over \$175,000 in revenues with additional sales of \$215,000 from food, beverages, attractions, etc. The campaign saw 100 per cent of the visitors originating from over 100 km away from North Bay.
- The Patricia Region Recovery campaign reported sales of 1,144 packages generating over \$3,800,000 in sales.
- The Fall Roads Lead to Stratford enhanced marketing campaign by the Stratford Shakespearean Festival in Fall 2004 generated over \$300,000 in revenue from sales of over 900 packages.

“OTMPC, in partnership with NONTA, has been influential in building bridges and developing strong Aboriginal businesses to develop a strong Aboriginal Tourism Industry in Ontario.”

Bill Rogoza, Member
OTMPC Northern Tourism Marketing Committee;
General Manager
Northern Ontario Native Tourism Association (NONTA)
Thunder Bay, Ontario



The “Golfing the World” campaign featured golf courses in Muskoka, Toronto and Niagara.

PARTNERSHIP SUPPORT

IN ADDITION TO PUBLIC FUNDING, INVESTMENT BY THE TOURISM INDUSTRY in OTMPC’s programs and initiatives has been critical to the successful marketing of Ontario. Partnership contributions via cash, in-kind services or leveraged dollars has steadily increased since OTMPC’s inception.

This support has enabled the Corporation to evolve its leadership role in areas such as marketing expertise, creative execution and stakeholder facilitation.

- Through partnerships with:
- Destination Marketing Organizations
 - Canadian Tourism Commission
 - overseas tour operators, and
 - more than 9,000 tourism suppliers across the province
- OTMPC was able to maintain leverage and cash flows for the partnership in 2004–2005.

PARTNER INVESTMENT (IN MILLIONS)

	2002–2003		2003–2004			2004–2005		
	Target	Actual	Target Core	Actual	Recovery	Target Core	Actual	Recovery
Cash	6.4	6.2	7.5	5.8	2.3	7.5	4.9	3.1
Leverage	8.5	8.3	10.0	7.4	2.4	10.0	5.1	8.0
In-kind	2.5	0.9	1.2	1.2	2.8	1.2	1.0	1.7
	17.4	15.4	18.7	14.5	7.5	18.7	11.0	12.8

Notes:

Cash: Dollar amount received by OTMPC directly or through an intermediary for participation in an OTMPC-led and delivered program.

Leverage: Dollar value of the advantage that OTMPC’s investment in projects create.

In-kind: Fair-market value of services provided by industry partners in the participation of OTMPC-led and -delivered programs.

“Ottawa Tourism’s partnership with OTMPC during 2004–2005 has helped us expand our penetration into the Quebec and New York markets. By integrating our promotion with OTMPC’s publications and web site, we have been able to deliver more consistent and effective messaging. This has resulted in huge increases in package sales, hotel nights and revenue for the Ottawa region. Let’s keep building on this partnership!”

Karen Squires, Member
OTMPC North America Committee;
Director of Leisure Marketing & Partnerships
Ottawa Tourism



(Left to right) *Town and Country Getaway Guide*, *Savour Ontario* promotion and Condé Nast spring insert targeting affluent international couples.

RETURN ON INVESTMENT

RETURN ON INVESTMENT (ROI) 2004-2005

Campaign	Trips Generated (Thousands)	Revenues Generated (\$ millions)	ROI	Cost/Person Trip
Domestic Market				
Domestic Market	1,179	\$219	22	\$8
April (additional tracking)	128	\$28	16	\$14
Fall	135	\$27	11	\$19
Winter	96	\$19	16	\$13
U.S. Near Border Market				
U.S. Near Market	914	\$239	22	\$12
April (additional tracking)	166	\$41	17	\$15
"In Toronto"	61	\$5	1.3	\$61
"Fall. In Love. In Toronto"	59	\$12	23	\$9
Fall	53	\$11	9	\$22

OTMPC Staffing/Fulltime Equivalent (FTE)

FTE Count	2003-2004	2004-2005
SMG	3	4
MCP/EXCL	4	4
AMAPCEO	9	9
OPSEU	26	32
Total	42	49
	* Vacant FTE 11	* Vacant FTE 7

ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION

FINANCIAL STATEMENTS For the Year Ended March 31, 2005

AUDITOR'S REPORT

**To the Ontario Tourism Marketing Partnership Corporation
and to the Minister of Tourism and Recreation**

I have audited the balance sheet of the Ontario Tourism Marketing Partnership Corporation as at March 31, 2005, and the statements of operations and accumulated surplus and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2005, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Gary R. Peall, CA
Deputy Auditor General
Toronto, Ontario
June 30, 2005

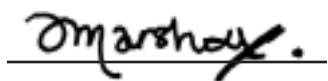
BALANCE SHEET As at March 31, 2005

	2005 (\$ 000)	2004 (\$ 000)
ASSETS		
Current Assets		
Cash and cash equivalents	23,541	18,164
Accounts receivable	2,163	3,601
Due from the Province	1,229	2,738
Prepaid expenses	929	87
	27,862	24,590
Capital Assets (Note 4)	2,715	2,937
	30,577	27,527
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	8,914	17,253
Lease obligations (Note 6)	17	201
	8,931	17,454
Non-current Liabilities		
Deferred revenue (Notes 3 and 7)	13,061	5,169
Deferred contributions related to capital assets (Note 5)	—	64
Lease obligations (Note 6)	—	17
	13,061	5,250
Equity		
Accumulated surplus	8,585	4,823
	30,577	27,527

Commitments (Note 9) **and Contingent Liability** (Note 12)

See accompanying notes to financial statements.

Approved on behalf of the Board:



Chair



Director

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended March 31, 2005
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	Core Programs (\$ 000)	Revitalization Program (\$ 000) (Note 3)	2005 Total (\$ 000)	2004 Total (\$ 000)
Revenues				
Province of Ontario	38,637	25,303	63,940	96,677
Advertising sales	4,449	2,924	7,373	8,046
Marketing research and other revenue	307	159	466	—
Interest income	260	—	260	341
Trade promotions	154	—	154	87
Amortization of deferred contributions (Note 5)	64	—	64	130
	43,871	28,386	72,257	105,281
Expenses				
Advertising and sales promotion	23,017	21,501	44,518	75,041
Events marketing program	2,238	5,916	8,154	12,343
Administrative expenses (Note 8)	4,990	—	4,990	3,964
Tourism consumer information services	4,002	—	4,002	4,197
Trade development	2,965	—	2,965	3,347
Product development and research	1,776	960	2,736	3,274
Amortization of capital assets	972	9	981	848
Board and Committee expenses (Note 10)	149	—	149	179
	40,109	28,386	68,495	103,193
Excess of revenues over expenses	3,762	—	3,762	2,088
Accumulated surplus, beginning of year			4,823	2,735
Accumulated surplus, end of year			8,585	4,823

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS For the Year Ended March 31, 2005
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	2005 (\$ 000)	2004 (\$ 000)
Cash provided by operating activities		
Excess of revenues over expenses	3,762	2,088
Add (deduct) non-cash items:		
Amortization of capital assets	981	848
Amortization of deferred contributions	(64)	(130)
	4,679	2,806
Change in non-cash working capital	1,658	13,124
	6,337	15,930
Cash used in investing and financing activities		
Capital asset additions	(758)	(803)
Lease obligations	(202)	(177)
	(960)	(980)
Increase in cash during the year	5,377	14,950
Cash and cash equivalents, beginning of year	18,164	3,214
Cash and cash equivalents, end of year	23,541	18,164

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS March 31, 2005

1. NATURE OF CORPORATION

The Ontario Tourism Marketing Partnership Corporation was established as a corporation without share capital on November 30, 1998, pursuant to Ontario Regulation 618/98 made under the *Development Corporations Act*. The Corporation commenced active operations on April 1, 1999, and is exempt from income taxes under the *Income Tax Act*. The objects of the Ontario Tourism Marketing Partnership Corporation are,

- (a) to market Ontario as a travel destination;
- (b) to undertake joint marketing initiatives with the tourism industry;
- (c) to support and assist the marketing efforts of the tourism industry; and
- (d) in co-operation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

In accordance with the Regulation, as amended by Ontario Regulation 271/04, the mandate of the Corporation has been extended indefinitely.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are the representations of management and are prepared in accordance with Canadian generally accepted accounting principles.

(b) Revenue Recognition

Revenue for designated activities, received prior to the year in which the activities are to be carried out, are recorded in the balance sheet as deferred revenue, and recognized as revenue in the year when the related expenses are incurred.

(c) Donated Services

The Corporation benefits from services provided by the tourism industry, such as transportation costs (airline and bus tickets), and accommodation and meal costs (discounted or free hotel rooms and restaurant charges). Because of the difficulty of determining their fair value, donated services are not recognized in the financial statements.

(d) Capital Assets

All capital assets are recorded at cost except for contributed capital assets which are recorded at fair value at the date of

contribution. Amortization is provided on a straight-line basis over the estimated useful life of the asset, with half a year amortization taken in the year of acquisition and disposition. All capital assets are amortized over five years.

(e) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates as additional information becomes available in the future.

(f) Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances and term deposits that are readily convertible into cash with original maturity dates of less than ninety days.

(g) Partnerships

The Corporation enters into agreements with private and public sector partners in order to add value to tourism marketing programs. The Corporation tracks the dollar value (cash, leverage, in-kind) of such agreements to demonstrate the impact of the Corporation's investment on the partnered marketing programs. Partner revenues and expenses are not included in the Corporation's financial statements.

3. TOURISM REVITALIZATION (RECOVERY) PROGRAM

The Corporation received funding from the Province for a Tourism Revitalization (Recovery) Program to counter the impact of Severe Acute Respiratory Syndrome (SARS) on Ontario. Under this program, the Corporation received funding and made expenditures as follows:

	2005 (\$000)	2004 (\$000)
Funding received/receivable	33,115	62,300
Funding deferred from prior year	5,077	—
Total funding available for the year	38,192	62,300
Net expenditures incurred	(25,303)	(57,223)
Funding deferred to future year	12,889	5,077

4. CAPITAL ASSETS

	March 31, 2005 (\$ 000)			2004 (\$ 000)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture	279	261	18	49
Leasehold improvements	432	408	24	70
Tourism Consumer Information System	4,007	1,632	2,375	2,404
Assets under Capital Lease	589	291	298	414
	5,307	2,592	2,715	2,937

Notes to Financial Statements March 31, 2005 (continued)

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent the amount of capital assets contributed by the former Ministry of Economic Development, Trade and Tourism that have not yet been amortized. The contributions are amortized and recognized as revenue over the same period as the underlying contributed capital assets that are being amortized. The changes in the deferred contributions balance for the year are as follows:

	(\$ 000)
Balance, beginning of year	64
Less amounts amortized to revenue	64
Balance, end of year	<u>—</u>

6. LEASE OBLIGATIONS

Lease obligations represent the balance of commitments for equipment and software licences used in the Tourism Consumer Information System made under the nature of capital leases. The changes in the lease obligations balance are as follows:

	2005 (\$ 000)	2004 (\$ 000)
Lease obligations, beginning of year	218	395
Add: new capital leases	2	18
Less: payments made on capital leases	203	195
Lease obligations, end of year	<u>17</u>	<u>218</u>
Current lease obligations	17	201
Non-current lease obligations	—	17

7. DEFERRED REVENUE

Deferred revenue is made up of \$12.889 million of Revitalization Program funding received/receivable from the Province of Ontario, and \$0.172 million from partners for advertising programs, for which the related expenses had not been incurred as of March 31, 2005.

8. ADMINISTRATIVE EXPENSES

Certain costs of administration, such as legal and human resources support services, were provided by the Ministry of Tourism and Recreation without charge. All other administrative expenses are borne by the Corporation and are as follows:

	2005 (\$ 000)	2004 (\$ 000)
Salaries and benefits	4,166	3,221
Services	460	445
Transportation and communications	248	207
Supplies and equipment	116	91
	<u>4,990</u>	<u>3,964</u>

The Corporation provides pension benefits for all its full-time employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multi-employer defined benefit pension plans established by the Province. These plans are accounted for as defined contribution plans, as the Corporation has insufficient information to apply defined benefit plan accounting to

these pension plans. The Corporation's contributions related to the PSPF and OPSEU Pension Fund for the year were \$182,388 (2004 – \$155,635) and are included in salaries and benefits.

Costs of post-retirement non-pension employee benefits are paid by the Management Board Secretariat and are not included in administrative expenses.

9. COMMITMENTS

The Corporation signed an agreement in August 2001 for a supplier to develop and operate a Tourism Consumer Information System. The agreement includes paying the supplier for equipment and software licences acquired in the nature of capital leases. The contract was renewed on March 31, 2005, for an additional term. Future payments under the agreements are as follows:

	(\$ 000)
2005/06	2,488
2006/07	200
	<u>2,688</u>

10. BOARD AND COMMITTEE EXPENSES

Board and committee members are reimbursed for travel expenses incurred to attend board of directors and related committee meetings. Board and committee members do not receive per diems to attend board and committee meetings.

11. SALARY DISCLOSURE

Section 3(5) of the *Public Sector Salary Disclosure Act, 1996* requires disclosure of Ontario public-sector employees who were paid an annual salary in excess of \$100,000. For the Corporation, in the calendar year 2004, this disclosure requirement is as follows:

Name	Position	Salary (\$)	Taxable Benefits (\$)
Kenny, William	Vice President, Partnership Development and Sales	128,151	226
Maleckyj, Lidia	Controller	114,936	139
Row, Cheryl	Vice President, Marketing	109,672	184

12. CONTINGENT LIABILITY

The Corporation is involved in a dispute with a former supplier over amounts billed to the Corporation of approximately \$1.5 million. The outcome of the dispute is not determinable.

13. SUBSEQUENT EVENT

Effective April 1, 2005, the Management Board of Cabinet approved the transfer of the 18 Ontario Travel Information Centres from the Ministry of Tourism to the Corporation. These Centres are located throughout Ontario and annually spend approximately \$4.5 million and collect \$300,000 in revenue. To cover the cost of assuming these responsibilities, the Management Board of Cabinet also approved an increase of \$4.2 million in the Corporation's revenue from the Province of Ontario.