

ANNUAL REPORT  
**OTMPC 2006–2007**



ontario tourism marketing partnership corporation

ONTARIO  
*Yours to discover*

## BOARD OF DIRECTORS

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

### Current Board Directors, 2006–2007

Mr. William M. Duron, Chair  
Chief Executive Officer, Royal Agricultural Winter Fair  
Toronto  
June 14, 2005–June 13, 2007

Mr. Anthony Annunziata, Vice Chair  
President, Vann Media Group  
Niagara Falls  
July 4, 2001–July 3, 2006

Mr. Donald Black  
Deputy Minister, Ministry of Economic  
Development and Trade  
Toronto  
October 7, 2004–October 6, 2007  
(Resigned September 15, 2006)

Mr. Antoni Cimolino  
General Director, Stratford Festival of Canada  
Stratford  
February 6, 2002–March 22, 2009

Ms. Bonnie Crombie  
Partner, Pinnacle Policy Group  
Toronto  
March 23, 2006–April 22, 2007

Mr. Paul Dinner  
Director, Business Development  
Real Estate and Hospitality Markets  
Royal Bank of Canada  
Burlington  
February 6, 2002–March 22, 2009

Mr. Michel Gauthier  
President, MGB Tourfest Inc.  
Ottawa  
June 1, 2005–May 31, 2007

Mr. Gilbert (Bud) Dickson  
Owner, Canoe Canada Outfitters  
Atikokan  
September 20, 2006–September 19, 2009

Mr. Ken Lambert  
Vice President, Sales & Marketing, Delta Hotels  
Toronto  
April 12, 2002–April 10, 2008

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 14, 2009

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

Ms. Helen Young  
Managing Director, Inn on the Twenty Ltd.  
Jordan  
November 15, 2006–November 14, 2009

## CORPORATE CONTACTS

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**OTMPC Inquiries**  
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**Travel Information for Ontario**  
1-800-668-2746 (English)  
1-800-268-3736 (French)

Partner site: [www.tourismpartners.com](http://www.tourismpartners.com)  
Consumer site: [www.ontariotravel.net](http://www.ontariotravel.net)

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# ANNUAL REPORT OTMPC 2006–2007



## TABLE OF CONTENTS

|                                   |          |                                                 |           |
|-----------------------------------|----------|-------------------------------------------------|-----------|
| <b>MESSAGE FROM THE CHAIR</b>     | <b>2</b> | <b>FINANCIAL STATEMENTS</b>                     | <b>20</b> |
|                                   |          | Auditor's Report                                | 21        |
| <b>MESSAGE FROM THE PRESIDENT</b> | <b>3</b> | Balance Sheet                                   | 22        |
|                                   |          | Statement of Operations and Accumulated Surplus | 23        |
| <b>CORPORATE OVERVIEW</b>         | <b>4</b> | Statement of Cash Flows                         | 24        |
|                                   |          | Notes to Financial Statements                   | 25        |
| <b>CORPORATE GOVERNANCE</b>       | <b>5</b> |                                                 |           |
| <b>OPERATIONAL PERFORMANCE</b>    | <b>6</b> |                                                 |           |



## MESSAGE FROM THE CHAIR

**IN AN INCREASINGLY COMPETITIVE TOURISM MARKETPLACE,** tourism in Ontario is being challenged both domestically from other Canadian provinces and internationally from top destinations around the world.

**I**n the last year, Ontario has also been faced with a rising Canadian dollar, which has made travel to Ontario a more expensive option while making international destinations more affordable and attractive for Ontarians. At the same time, visitation from the United States has been declining as a result of high gas prices and new passport requirements. All of these challenges require that Ontario be smart about how it spends its resources and that industry marketing efforts be aligned in order to compete against the best of the best. With these two factors as the foundation of its activities, 2006–2007 was a banner year for the Ontario Tourism Marketing Partnership Corporation.

In partnership with the Ministry of Tourism and with industry support, OTMPC secured incremental funds of \$22 million to invest in tourism. This explicit recognition of tourism as one of the key economic drivers of our province was a milestone for the organization. With this funding, OTMPC launched its bold domestic marketing campaign to win back Ontario travellers at a time when they are being increasingly courted by other destinations. OTMPC's "There's No Place Like This" campaign is designed to keep Ontarians travelling in Ontario by taking a new approach to engaging the consumer – an approach that has garnered accolades from political colleagues, industry, consumers and media alike.

On the international stage, we launched new micro sites giving consumers in key overseas markets greater access to the best of Ontario's diverse tourism experiences in their own languages and enticing them to come to Ontario. In further pursuit of marketing excellence, OTMPC also launched innovative tools and techniques, including the Ontario TravelTool and the Virtual Print-on-Demand tool to address growing consumer demand for customized information. The high-profile media coverage generated by our World's Biggest Snow Globe tour and other tactics contributed to an increase in the number of consumers OTMPC "touched" with the Ontario message.

The appointment of Robin Garrett as President and CEO in September 2006 ushered in a new strategic direction for OTMPC. Under her leadership, the organization created an accountability framework to shape its goals and keep it poised for growth. In addition, the success of the second Ontario Tourism Marketing Summit demonstrated the agency's growing reputation as a valuable resource for tourism leaders. OTMPC conducted its first stakeholder survey in January 2007. Based on the results, OTMPC will be developing an action plan to increase stakeholder engagement and satisfaction.

While the year held many challenges for the tourism sector overall, it was a period of unprecedented results for OTMPC. These achievements exemplify the organization's strength in addressing these challenges and demonstrate its progress in marketing Ontario as a vibrant destination of choice.

With warm appreciation I thank the Board of Directors and committee members for their ongoing commitment, the Minister of Tourism for his unstinting support and OTMPC staff for their passion and dedication to showing the world that truly, there is no place like this!

To our tourism partners and colleagues, your enthusiastic involvement is integral to OTMPC's success. Thank you for your invaluable contributions to fostering a prosperous, sustainable future for Ontario tourism.

William M. Duron  
Chair  
Ontario Tourism Marketing Partnership Corporation



# MESSAGE FROM THE PRESIDENT

**2006–2007 MARKED A YEAR OF FOCUS AND GROWTH** for the Ontario Tourism Marketing Partnership Corporation. OTMPC focused on developing an accountability framework for the organization that led to the development of a three-year strategy for the agency.

Overall, Ontario maintained a strong awareness in the domestic market across all seasons, with noticeable growth in the winter of 12 per cent. OTMPC's marketing programs demonstrated a strong return on investment across all three marketing seasons. Of note are the summer and winter return on investment (ROI) of \$11.90 and \$11.00 respectively for every dollar invested by OTMPC.

The web continued to grow as a vital marketing communication channel to consumers. Growth was seen in both user sessions and time spent on the web. In addition, the media relations program domestically, in the United States and overseas showed very strong results with \$152 million in advertising/public relations value and a strong focus on highlighting Ontario's signature products and experiences to influence travel.

OTMPC was also successful in securing incremental funding to invest in developing a strong campaign aimed at keeping Ontario residents at home. The extra funding enabled us to try innovative tactics and allowed us to put a suite of unique and fresh marketing tools in our prime prospects' hands, such as:

- Composing the infectious song, "There's No Place Like This," featured in TV and radio commercials performed by popular local musicians, including jazz singer Molly Johnson and rocker Brian Byrne.
- Developing the downloadable and interactive Ontario TravelTool, which sends a different Ontario travel experience catered to consumers' interests to their desktops daily.

- Creating an online tool allowing consumers to input their vacation preferences to generate customized and printable trip recommendations to make their ideal getaway a reality.
- Developing the Virtual Print-On-Demand Tool (VPOD), which allows consumers to create their own personalized and customized Ontario travel guide.
- Supporting an increased number of festivals and events under the Tourism Event Marketing Partnership Program, including Barry's Bay Timberfest and Science North's Ends of the Earth exhibit, and expanding the type of marketing activities eligible for funding.

This campaign encourages Ontarians to celebrate living in our great province by experiencing it – and we have given them the tools to make their dream Ontario getaway a reality. I look forward to seeing the lasting mark the campaign will make on Ontario tourism – and sharing the final results of the campaign in the 2007–2008 Annual Report.

Robin Garrett  
President and CEO  
Ontario Tourism Marketing Partnership Corporation



# CORPORATE OVERVIEW

**CORPORATE MANDATE:** To market Ontario, in partnership with the private and public sectors, as a premier, four-season travel destination and to maximize opportunities in the tourism sector for the overall benefit of Ontario.

## MISSION

To grow Ontario's tourism sector year-round by stimulating increased consumer spending and visits and by generating greater partnership participation. OTMPC works strategically, proactively and collaboratively with the tourism industry to market Ontario's tourism experiences and leverage multi-year marketing opportunities and investments in key markets.

By working to continuously improve and evolve as a successful private/public partnership, OTMPC plays a key role in strengthening Ontario's tourism economy and establishing Ontario as a premier, year-round destination.

## VISION

To be the premier tourism marketer in Canada.

## CORE FUNCTIONS

**Consumer Marketing:** OTMPC's consumer marketing efforts use a multi-media approach to connect with consumers. Mass media is used to build awareness of Ontario as a great destination and motivate consumers to seek more information online, while web activities allow consumers to get as much detail as they need to plan their trip.

**Media Relations:** OTMPC undertakes to develop and maintain close working relationships with members of the media in priority Canadian, US and overseas markets with special emphasis on customized individual media tours, as well as media marketplaces and events.

**Northern Ontario:** A specific program is designed to foster visitation to Northern Ontario, focusing on marketing the region's world-class outdoor products, including fishing, snowmobiling and paddling.

**Travel Trade:** OTMPC promotes and facilitates the sale of Ontario market-ready tourism products and experiences by working closely and directly with tour operators, wholesalers, travel agents and automobile clubs. The Ontario brand is promoted through joint marketing campaigns, trade conventions, marketplaces and select events in domestic, US and overseas markets.

**Meetings, Conventions & Incentive Travel (MC&IT):** OTMPC aggressively markets Ontario's diverse meeting destinations and products through industry partnership activities to generate increased leads through strategic sales and marketing initiatives in Canada, the United States and overseas.

**Industry Relations:** The Industry Relations Unit works to effectively sustain a vibrant and profitable tourism industry by facilitating partnership between government and stakeholders to ensure Ontario's tourism products are relevant and attractive.

**Corporate Communications:** Working closely with marketing, sales and media relations staff, Corporate Communications develops and implements targeted, strategic communications and public relations programs that proactively enhance OTMPC's profile with external and internal audiences.

**Partner Sales:** OTMPC offers its partners the opportunity to market their products under the Ontario brand and to enter important markets that they might not otherwise be able to access. These sales efforts assist industry partners to reach visitor markets with strong, compelling messages linked to a multi-million-dollar annual program.

**Ontario Travel Information Centres (OTICs):** OTICs are Ontario's official welcome centres. Operated by OTMPC, they provide visitors with essential, practical, on-the-spot information and advice on where to go and what to see and do.



# CORPORATE GOVERNANCE

## THE ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION reports to an industry-led volunteer Board of Directors.

The Board directs OTMPC's overall strategies and operations and is accountable to the Minister of Tourism. Board Directors may also sit on one of four committees – the Executive Committee, the Nominations Committee, the Finance and Audit Committee and the Marketing Performance Assessment Committee. OTMPC works with more than 100 committed industry members through its corporate governance structure.

- EXECUTIVE COMMITTEE**  
 The Executive Committee sets priorities and recommends objectives and strategies to the Board.
- NOMINATIONS COMMITTEE**  
 The Nominations Committee is responsible for succession planning for the industry product and market committees.
- FINANCE AND AUDIT COMMITTEE**  
 The Finance and Audit Committee oversees and monitors OTMPC's financial reporting.
- MARKETING PERFORMANCE ASSESSMENT COMMITTEE**  
 The Marketing Performance Assessment Committee ensures appropriate performance measures are in place and reviewed on a regular basis.

The Board relies on input from six industry-led working committees reporting through committee chairs. Each committee is comprised of 12–15 industry volunteer members. Committees and OTMPC staff collaborate to develop marketing strategies, tactics and partnership programs that make up the annual OTMPC Marketing Plan.

| COMMITTEE                                                      | FUNCTION                                                                                                                                                |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| North America Committee                                        | Identifies, develops and monitors marketing strategies, tactics and programs for the domestic and key US markets.                                       |
| Meetings, Conventions & Incentive Travel (MC&IT) Sub-Committee | A sub-committee of the North America Committee that identifies, develops and monitors marketing strategies, tactics and programs for key MC&IT markets. |
| Northern Tourism Marketing Committee                           | Identifies, develops and monitors marketing strategies, tactics and programs for key Northern markets.                                                  |
| Overseas Committee                                             | Identifies, develops and monitors marketing strategies, tactics and programs for key Asia-Pacific and European markets.                                 |
| Outdoor Committee                                              | Identifies, develops and facilitates outdoor experiences, packaging programs and product alliances.                                                     |
| Town and Country Committee                                     | Identifies, develops and facilitates touring experiences, packaging programs and product alliances.                                                     |



# OPERATIONAL PERFORMANCE

## MEASURING PERFORMANCE AGAINST SEVEN KEY DELIVERABLES

**IN 2006–2007, THE ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION FOCUSED ITS ACTIVITIES ON SEVEN SIGNATURE DELIVERABLES:**

1. BUILD A STRONG BRAND THAT SHOWCASES ONTARIO'S DIVERSE CULTURAL AND OUTDOOR EXPERIENCES
2. INCREASE THE NUMBER OF CONSUMERS WE TOUCH
3. USE INNOVATIVE TECHNIQUES AND TECHNOLOGIES TO MARKET ONTARIO
4. LEVERAGE PARTNERSHIPS WITH INDUSTRY
5. IMPROVE ORGANIZATIONAL EFFECTIVENESS
6. INCREASE PARTNER ENGAGEMENT AND SATISFACTION TO INCREASE EFFECTIVE PARTNERSHIPS
7. GENERATE REVENUE

**FINAL RESULTS FOR THESE DELIVERABLES ARE OUTLINED IN THE FOLLOWING PERFORMANCE TABLES.**

## 1



## << BUILD A STRONG BRAND THAT SHOWCASES ONTARIO'S DIVERSE CULTURAL AND OUTDOOR EXPERIENCES >>

**IN 2006–2007, OTMPC INVESTED IN REINFORCING ONTARIO'S OVERALL BRAND IMAGE** through campaigns targeted at the domestic and US markets to stimulate travel interest in Ontario as a surprisingly unique, easy-to-travel-to destination. Overall, OTMPC's tactical campaigns have been successful in maintaining awareness of Ontario as a travel destination in key markets across all seasons.

In addition, OTMPC received one-time funding through the Ministry of Tourism's Economic Stimulus Fund to invest in the development of a brand

essence campaign. The objective of the multi-media campaign, which uses all available traditional and non-traditional marketing techniques, is to instill a sense of pride in Ontarians – Ontario's best customers and ambassadors.

Results of the brand essence campaign will be reported in next year's annual report due to the fact that the campaign was implemented in the last two weeks of the 2006–2007 fiscal year.

| PROGRAM/<br>ACTIVITY                                                                                                                                 | OBJECTIVES/<br>STRATEGY                                                                                                                            | MEASURES                       | PERFORMANCE                |     |     |                                       |     |     |                            |     |     |                                                                                                         |      |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------|-----|-----|---------------------------------------|-----|-----|----------------------------|-----|-----|---------------------------------------------------------------------------------------------------------|------|----|
|                                                                                                                                                      |                                                                                                                                                    |                                | 2006–2007<br>Targets       |     |     | 2006–2007<br>Results                  |     |     | 2005–2006<br>Results       |     |     | Comments                                                                                                |      |    |
| <b>"No Place Like This" Brand Campaign Launch (Ontario)</b><br>Supplemental campaign to build the brand domestically to win back Ontario travellers. | Instill pride in Ontario’s tourism product and communicate that some of the best tourism experiences in the world are here in Ontario to discover. | Media coverage                 | \$250,000                  |     |     | \$570,804                             |     |     | New activity in 2006–2007  |     |     | Targets based on results of 2007 winter campaign launch                                                 |      |    |
|                                                                                                                                                      |                                                                                                                                                    | • Public relations (PR) value* |                            |     |     |                                       |     |     |                            |     |     |                                                                                                         |      |    |
|                                                                                                                                                      |                                                                                                                                                    | • Reach (millions)             | 1.5                        |     |     | 1.9                                   |     |     |                            |     |     |                                                                                                         |      |    |
|                                                                                                                                                      |                                                                                                                                                    | Web user sessions              | Increase by +10%           |     |     | 13,739 (micro site)<br>118,859 (core) |     |     |                            |     |     | Results from campaign launch March 14–31<br><br>Final results to be reported in 2007–2008 annual report |      |    |
| <b>Core Program 2006 Brand Campaign</b><br>(Ontario, Quebec, United States)                                                                          | Increase awareness of Ontario for short getaways in key domestic and US markets.                                                                   | Return on investment**         | \$8.00<br>\$8.00<br>\$7.00 |     |     | \$11.90<br>\$ 8.30<br>\$11.00         |     |     | \$5.80<br>\$8.80<br>\$5.80 |     |     | Year-over-year shift:<br>\$6.10<br>( \$0.50)<br>\$5.20                                                  |      |    |
|                                                                                                                                                      |                                                                                                                                                    | • summer                       |                            |     |     |                                       |     |     |                            |     |     |                                                                                                         |      |    |
|                                                                                                                                                      |                                                                                                                                                    | • fall                         |                            |     |     |                                       |     |     |                            |     |     |                                                                                                         |      |    |
| • winter                                                                                                                                             |                                                                                                                                                    |                                |                            |     |     |                                       |     |     |                            |     |     |                                                                                                         |      |    |
| Brand campaign to position Ontario as a fun, easy, diverse and dynamic travel destination to increase overnight stays.                               |                                                                                                                                                    | Consumer survey results:       |                            |     |     |                                       |     |     |                            |     |     |                                                                                                         |      |    |
|                                                                                                                                                      |                                                                                                                                                    | Ad awareness                   |                            |     |     |                                       |     |     |                            |     |     |                                                                                                         |      |    |
|                                                                                                                                                      |                                                                                                                                                    | • summer                       | ON                         | PQ  | US  | ON                                    | PQ  | US  | ON                         | PQ  | US  | ON                                                                                                      | PQ   | US |
|                                                                                                                                                      |                                                                                                                                                    | • fall                         | 69%                        | 33% | 23% | 66%                                   | 30% | 24% | 67%                        | 32% | 22% | (1%)                                                                                                    | (2%) | 2% |
|                                                                                                                                                      |                                                                                                                                                    | • winter                       | 69%                        | 22% | 31% | 63%                                   | 33% | 21% | 67%                        | 30% | 21% | (4%)                                                                                                    | 3%   | 0% |
| • spring***                                                                                                                                          | 67%                                                                                                                                                | 22%                            | 22%                        | 59% | 32% | 21%                                   | 60% | 26% | 16%                        | 12% | 6%  | 5%                                                                                                      |      |    |
|                                                                                                                                                      |                                                                                                                                                    |                                |                            |     |     | 64%                                   |     |     |                            |     |     |                                                                                                         |      |    |



| PROGRAM/<br>ACTIVITY                                                                                                                                                                                                                              | OBJECTIVES/<br>STRATEGY                                                 | MEASURES                                                                                                                                                          | PERFORMANCE          |                                                                                                 |  |  |                                                                                  |  |  |                                                                             |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------|--|--|----------------------------------------------------------------------------------|--|--|-----------------------------------------------------------------------------|--|
|                                                                                                                                                                                                                                                   |                                                                         |                                                                                                                                                                   | 2006–2007<br>Targets | 2006–2007<br>Results                                                                            |  |  | 2005–2006<br>Results                                                             |  |  | Comments                                                                    |  |
| <b>Core Program<br/>(continued)</b><br><br><b>2006 Brand<br/>Campaign</b> (Ontario,<br>Quebec, United<br>States)                                                                                                                                  | Strengthen Ontario's distinct<br>brand image versus the<br>competition. | A good place for short<br>getaways <ul style="list-style-type: none"><li>• summer</li><li>• fall</li><li>• winter</li><li>• spring***</li></ul>                   | Establish benchmarks | <b>Scores out of 10:</b><br><b>ON PQ US</b><br>8.7 6.8 7.9<br>8.8 7.0 7.5<br>8.7 7.3 7.7<br>8.7 |  |  | <b>Scores out of 10:</b><br><b>ON PQ US</b><br>8.8 7.4 7.7<br>8.9 7.2 7.6<br>n/a |  |  | <b>ON PQ US</b><br>(0.1) (0.6) 0.2<br>(0.1) (0.2) (0.1)<br>Not measured     |  |
|                                                                                                                                                                                                                                                   |                                                                         | A place where it's easy to<br>have a vacation <ul style="list-style-type: none"><li>• summer</li><li>• fall</li><li>• winter</li><li>• spring***</li></ul>        | Establish benchmarks | <b>ON PQ US</b><br>8.7 7.3 7.7<br>8.6 7.5 7.4<br>8.7 7.7 7.6<br>8.7                             |  |  | n/a                                                                              |  |  | Not measured on<br>2005–2006 surveys                                        |  |
|                                                                                                                                                                                                                                                   |                                                                         | A place with lots to see and<br>do <ul style="list-style-type: none"><li>• summer</li><li>• fall</li><li>• winter</li><li>• spring***</li></ul>                   | Establish benchmarks | <b>ON PQ US</b><br>8.6 7.2 8.4<br>8.6 7.3 8.0<br>8.6 7.6 8.1<br>8.7                             |  |  | <b>ON PQ US</b><br>8.8 7.4 8.0<br>8.9 7.0 8.2<br>8.6 7.2 7.9<br>n/a              |  |  | <b>ON PQ US</b><br>(0.2) (0.2) 0.4<br>(0.3) 0.3 (0.2)<br>0.0 0.4 0.2<br>n/a |  |
|                                                                                                                                                                                                                                                   |                                                                         | A place to experience<br>something new and different <ul style="list-style-type: none"><li>• summer</li><li>• fall</li><li>• winter</li><li>• spring***</li></ul> | Establish benchmarks | <b>ON PQ US</b><br>7.4 6.3 8.0<br>7.4 6.4 7.5<br>7.5 6.7 7.5<br>7.7                             |  |  | <b>ON PQ US</b><br>7.5 6.3 7.8<br>7.7 6.2 7.8<br>7.1 6.0 7.5<br>n/a              |  |  | <b>ON PQ US</b><br>(0.1) 0 0.2<br>(0.3) 0.2 (0.3)<br>0.4 0.7 0.0<br>n/a     |  |
| <div>* Value of unpaid media coverage.</div> <div>** Incremental visitor spending for every dollar invested by OTMPC through brand and partnered programs.</div> <div>*** Campaign measured after two weeks of running starting March 2007.</div> |                                                                         |                                                                                                                                                                   |                      |                                                                                                 |  |  |                                                                                  |  |  |                                                                             |  |



## << INCREASE THE NUMBER OF CONSUMERS WE TOUCH >>

**OTMPC'S MISSION IS TO GROW THE TOURISM INDUSTRY BY INCREASING CONSUMER SPENDING** and visits in partnership with industry. To be successful, OTMPC strives to increase the number of consumers it touches in order to provide consumers with dynamic and diverse travel ideas making it easy for them to have fun in Ontario.

Overall, OTMPC increased the number of consumers it touched during 2006–2007 via web, direct mail, media and Ontario Travel Information Centres (OTIC). Although there was a slight decline in visitors to the travel centres due to factors such as new passport requirements and

high gas prices, OTMPC made inroads in becoming a stronger online competitor with more experiential websites, improved web marketing and generating more editorial coverage around the world in its key markets.

OTMPC continues to strengthen the interactive component of its marketing mix and is investing to improve web marketing, data mining and customer relationship management (CRM) capabilities. In addition, OTMPC is examining opportunities to reinvent the services offered at travel centres.

| PROGRAM/<br>ACTIVITY                                                                                                                                                              | OBJECTIVES/<br>STRATEGY                                                                                                                                                                                                    | MEASURES                                                                                                                          | PERFORMANCE                                |                        |                        |                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------|------------------------|-------------------------------------------------|
|                                                                                                                                                                                   |                                                                                                                                                                                                                            |                                                                                                                                   | 2006–2007<br>Targets                       | 2006–2007<br>Results   | 2005–2006<br>Results   | Comments                                        |
| <b>Interactive Marketing</b><br><br>Develop integrated interactive websites that provide consumers with relevant travel information and easy access to Ontario industry partners. | Increase consumer usage of and satisfaction with OTMPC websites to ensure competitive positioning and effectively integrate e-marketing campaigns with traditional seasonal, experiential and destination-based campaigns. | Unique user sessions (millions) <ul style="list-style-type: none"> <li>summer</li> <li>fall</li> <li>winter</li> </ul>            | 1.30<br>0.700<br>0.600                     | 1.28<br>0.672<br>0.651 | 0.90<br>0.603<br>0.634 | Year-over-year shift:<br>0.38<br>0.069<br>0.017 |
|                                                                                                                                                                                   |                                                                                                                                                                                                                            | Time spent on site (minutes) <ul style="list-style-type: none"> <li>summer</li> <li>fall</li> <li>winter</li> </ul>               | 7.0<br>6.7<br>6.5                          | 7.6<br>6.7<br>6.9      | 5.0<br>7.0<br>6.3      | 2.6<br>(0.3)<br>(0.6)                           |
|                                                                                                                                                                                   |                                                                                                                                                                                                                            | Consumer inquiries <ul style="list-style-type: none"> <li>number of calls to agents</li> <li>number of emails serviced</li> </ul> | Establish benchmark<br>Establish benchmark | 93,667<br>10,884       | 124,141<br>11,530      | (30,474)<br>(646)                               |

< 10 > 2006-2007 annual report



| PROGRAM/<br>ACTIVITY                                                                                                                                                       | OBJECTIVES/<br>STRATEGY                                                                                                                                                                                                                 | MEASURES                                                                                                                                                                                                                                                                                           | PERFORMANCE                                      |                                                                                                           |                                                                           |                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                            |                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                    | 2006–2007<br>Targets                             | 2006–2007<br>Results                                                                                      | 2005–2006<br>Results                                                      | Comments                                                                                                                                                      |
| <b>Ontario Travel Information Centres</b><br><br>Ontario's official welcome centres, which provide visitors with essential, practical, on-the-spot information and advice. | Provide enhanced travel services aimed at increasing visitors' length of stay through an integrated one-stop shopping experience while supporting tourism on a regional basis by marketing and promoting local businesses and services. | Number of visitors to OTICs<br><br>Number of consumer inquiries serviced                                                                                                                                                                                                                           | 1.4M<br><br>450K                                 | 1.4M<br><br>442.7K                                                                                        | 1.5M<br><br>465K                                                          | Year-over-year shift:<br>(0.1M)<br><br>(22.3K)                                                                                                                |
| <b>Ontario Travel Discoveries Magazine</b><br><br>Produce and distribute consumer magazine three times a year featuring stories about travel to Ontario destinations.      | Provide information to domestic consumers and promote Ontario as a diverse and dynamic destination to encourage visitation.                                                                                                             | Distribution <ul style="list-style-type: none"> <li>• summer</li> <li>• fall</li> <li>• winter</li> </ul> Readership survey <ul style="list-style-type: none"> <li>• used for travel planning</li> <li>• passed on to others</li> <li>• recommended to others</li> <li>• copy retention</li> </ul> | Establish benchmarks<br><br>Establish benchmarks | English    French<br>400K    10K<br>300K    10K<br>250K    10K<br><br>70%<br>67%<br>58%<br>8 months (avg) | English    French<br>400K    10K<br>300K    10K<br>250K    10K<br><br>n/a | Targets equal to number of copies distributed<br><br>April 2006 online survey results indicated magazine has broad appeal and is seen as a valuable resource. |

\* Value of unpaid media coverage in all five priority markets.

\*\* Fun Pass program offered in partnership with Ontario Parks and the ministries of Tourism, Culture, Education, and their agencies and attractions.

## 3

<< USE INNOVATIVE TECHNIQUES  
AND TECHNOLOGIES TO MARKET  
ONTARIO >>

**TO ACHIEVE THE GOAL OF BECOMING THE PREMIER TOURISM MARKETER**, marketing excellence is of paramount importance. OTMPC is committed to using innovative marketing techniques and tools to reach busy consumers who are bombarded with marketing from many competing travel destinations.

A prime example is the winter 2006 campaign, which introduced a two-storey-high snow globe to consumers across the province. The snow globe enjoyed high visibility with media outlets including front page editorial coverage in the *Toronto Star* and the *Kingston Whig Standard*.

| PROGRAM/<br>ACTIVITY                                                                                                              | OBJECTIVES/<br>STRATEGY                                                                                                                       | MEASURES                                                              | PERFORMANCE          |                                                  |                                         |          |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------|--------------------------------------------------|-----------------------------------------|----------|
|                                                                                                                                   |                                                                                                                                               |                                                                       | 2006–2007<br>Targets | 2006–2007<br>Results                             | 2005–2006<br>Results                    | Comments |
| <b>Winter 2007 World's Biggest Snow Globe Campaign</b><br><br>Innovative PR campaign to supplement traditional seasonal campaign. | Generate brand awareness of Ontario winter activities through a series of promotional consumer events, interactive tools and media relations. | Web user sessions<br><br>Contest entries<br><br>PR value<br><br>Reach | Establish benchmarks | 19,813<br><br>9,979<br><br>\$250,000<br><br>1.5M | n/a<br><br>No supplemental campaign run |          |

## 4

<< LEVERAGE PARTNERSHIPS  
WITH INDUSTRY >>

**PARTNERSHIPS WITH INDUSTRY CONTINUE TO BE KEY TO OTMPC'S SUCCESS**, helping to reach more consumers and use resources most effectively. OTMPC leverages partnerships with industry by increasing private-sector financial contributions. This additional funding allows OTMPC to show more leadership to private- and public-sector stakeholders and partners, helps support marketing programs developed by partners and demonstrates to non-traditional partners that OTMPC can match their investments.

Investing in festivals and events increases tourism, bringing new visitors to communities across Ontario and contributing to a strong and prosperous

economy. Through the Tourism Event Marketing Partnership Program (TEMPP), OTMPC invests in:

- attracting world-class events to Ontario in order to lure visitors;
- helping communities across the province stage signature events (e.g., Caribana, Toronto International Film Festival and Luminato); and
- marketing events and festivals at the community level province wide.

Both TEMPP and the Industry Partnership Program (IPPP) saw increased spending in 2006–2007. TEMPP received one-time additional funding from the Ministry's Economic Stimulus Fund and IPPP experienced above average demand.

| PROGRAM/<br>ACTIVITY                                                                                                                                                                                                                                    | OBJECTIVES/<br>STRATEGY                                                                                                | MEASURES  | PERFORMANCE          |                      |                      |                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------|----------------------|----------------------|----------------------|--------------------------------|
|                                                                                                                                                                                                                                                         |                                                                                                                        |           | 2006–2007<br>Targets | 2006–2007<br>Results | 2005–2006<br>Results | Comments                       |
| <b>Partnered Marketing Programs</b><br><br>Invest in events and projects that link the strength of Ontario's brand with specific experiential marketing organizations (EMOs), destination marketing organizations (DMOs) and Northern tourism partners. | Leverage OTMPC's marketing investment by developing partnered (public and private) programs with the tourism industry. | Leverage* | \$6.0M               | \$7.8M               | \$9.2M               | Year-over-year shift: (\$1.4M) |



| PROGRAM/<br>ACTIVITY                                                                                                                                                                                                                     | OBJECTIVES/<br>STRATEGY                                                                                                                                                                                                                                                          | MEASURES                                                      | PERFORMANCE                |                            |                            |                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------|----------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                  |                                                               | 2006–2007<br>Targets       | 2006–2007<br>Results       | 2005–2006<br>Results       | Comments                                                                                                                                                                                                                                               |
| <b>Tourism Event Marketing Partnership Program (TEMPP)</b><br><br>Supports the marketing of key Ontario tourism events and festivals.                                                                                                    | Support the marketing of festivals and events with the potential to strengthen Ontario's brand image and increase visitation, overnight stays and expenditures across all regions of the province.                                                                               | Number of events/festivals funded<br><br>Total funds invested | 100<br><br>\$2M            | 105<br><br>\$2.5M          | 102<br><br>\$2.3M          | Events funded include: <ul style="list-style-type: none"> <li>• Collingwood Elvis Festival</li> <li>• Leacock Summer Festival</li> <li>• Niagara Falls Winter Festival of Lights</li> <li>• Caribe-Expo</li> <li>• Chinese Lantern Festival</li> </ul> |
| <b>Industry Partnership Proposal Program (IPPP)</b><br><br>Encourages cooperative and innovative industry marketing activities that increase tourism revenues and are consistent with, but do not duplicate, OTMPC's marketing programs. | Work with industry partners to create innovative, targeted marketing programs that develop shoulder season visibility, promote regional packages, extend visitor length of stay and increase market reach and measurable tourism revenues from priority domestic and US markets. | Total funds invested<br><br>Total leverage**                  | \$335,000<br><br>\$500,000 | \$500,122<br><br>\$750,000 | \$390,898<br><br>\$600,000 | Programs include: <ul style="list-style-type: none"> <li>• Explore the Bruce Adventure Passport</li> <li>• Focus On London</li> <li>• St. Jacobs Country Partners</li> <li>• Thunder Bay – A Truly Canadian Experience</li> </ul>                      |

\* Incremental visitor spending for every dollar invested by OTMPC through brand and partnered programs.

\*\* Dollar amount OTMPC's investment in a partner's program triggers incremental investment by the operator that benefits the Ontario tourism industry.

## 5



## &lt;&lt; IMPROVE ORGANIZATIONAL EFFECTIVENESS &gt;&gt;

**TO DELIVER ON ITS ORGANIZATIONAL OBJECTIVES**, OTMPC is committed to improving organizational effectiveness with a focus on employee engagement, the development of clear performance goals and an updated corporate governance structure.

Over the past year, OTMPC worked with its Board of Directors to develop a clear accountability framework with a focused vision and success factors. One of the success factors is investing in a strong and engaged team at OTMPC. This includes investing in skills development, using integrated teams and ensuring all staff are informed and working effectively.

In 2007, the Ontario government conducted an employee engagement survey across all provincial government ministries, which serves as a benchmark for OTMPC's efforts in this area.

Results showed that OTMPC, along with its Ministry of Tourism colleagues, is currently ranked number one among all Ontario Public Service employees with a 73.82% employee engagement rating.

| PROGRAM/<br>ACTIVITY | OBJECTIVES/<br>STRATEGY                                           | MEASURES                                                    | PERFORMANCE          |                      |                             |                                                                                      |
|----------------------|-------------------------------------------------------------------|-------------------------------------------------------------|----------------------|----------------------|-----------------------------|--------------------------------------------------------------------------------------|
|                      |                                                                   |                                                             | 2006–2007<br>Targets | 2006–2007<br>Results | 2005–2006<br>Results        | Comments                                                                             |
| Employee Engagement  | Engage employees in the delivery of OTMPC core business programs. | Ontario Public Service employee survey measuring engagement | Establish benchmark  | 73.82%               | New initiative in 2006–2007 | Survey to measure results will be done every two years. Next survey will be in 2009. |

## 6



## &lt;&lt; INCREASE PARTNER ENGAGEMENT AND SATISFACTION TO INCREASE EFFECTIVE PARTNERSHIPS &gt;&gt;

**IN JANUARY 2007, OTMPC CONDUCTED ITS FIRST EVER STAKEHOLDER SATISFACTION SURVEY.** Results of the survey showed that overall awareness and the value perception of OTMPC in the broader industry is low. However, among respondents familiar with the organization, the value perception is higher.

As a result of these findings, OTMPC is developing an action plan to increase industry participation in programs, awareness of OTMPC and its programs, and satisfaction with type and frequency of communications with

industry. For example, OTMPC migrated its industry print newsletter to an e-newsletter format based on feedback indicating a preference for electronic information. The activities from the action plan will continue to be implemented in the coming year. The effectiveness of these efforts will be determined with subsequent satisfaction surveys.

| PROGRAM/<br>ACTIVITY                                                                     | OBJECTIVES/<br>STRATEGY                                                                                      | MEASURES                                                                                                                                                                                                                           | PERFORMANCE                                 |                                                                                                                                                                                           |                      |                                                                                                                                                                              |
|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                          |                                                                                                              |                                                                                                                                                                                                                                    | 2006–2007<br>Targets                        | 2006–2007<br>Results                                                                                                                                                                      | 2005–2006<br>Results | Comments                                                                                                                                                                     |
| <b>Industry Events</b><br><br>Organize and execute the Ontario Tourism Marketing Summit. | Raise awareness of OTMPC and its activities and encourage buy-in from industry on partnership opportunities. | Number of registrants<br><br>Evaluation responses: <ul style="list-style-type: none"> <li>• response rate</li> <li>• satisfaction rating</li> <li>• value for money rating</li> <li>• likelihood of attending next year</li> </ul> | Increase by 10%<br><br>Establish benchmarks | 428 <ul style="list-style-type: none"> <li>• 20%</li> <li>• 73% very good or excellent</li> <li>• 98% good value for money</li> <li>• Over 50% definitely, 41% somewhat likely</li> </ul> | 355<br><br>n/a       | 20% increase in attendance over previous year<br><br>20% response rate considered good for business survey<br><br>2005–2006 evaluation questions not comparable to 2006–2007 |



| PROGRAM/<br>ACTIVITY                                                                                                                                                                              | OBJECTIVES/<br>STRATEGY                                                                                                                                                                          | MEASURES                                                                                                                                                                                                                                                                                                                                                                                        | PERFORMANCE                          |                                                                                                                                                                                                                               |                      |                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------|
|                                                                                                                                                                                                   |                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                 | 2006–2007<br>Targets                 | 2006–2007<br>Results                                                                                                                                                                                                          | 2005–2006<br>Results | Comments                                                               |
| <b>Industry Communications</b><br><br>Keep stakeholders up-to-date on current activities, future plans, upcoming events, partnership opportunities, and progress reports on performance measures. | Increase awareness of OTMPC and its activities and encourage buy-in from industry on partnership opportunities.                                                                                  | Number of annual visits to partner website<br><br>Newsletter metrics: <ul style="list-style-type: none"> <li>• number of subscribed industry stakeholders</li> <li>• emails opened</li> <li>• click-through rate*</li> <li>• emails forwarded</li> </ul>                                                                                                                                        | Maintain<br><br>Establish benchmarks | 102,590<br><br><ul style="list-style-type: none"> <li>• 8,600</li> <li>• 32%</li> <li>• 13%</li> <li>• 0.2%</li> </ul>                                                                                                        | 109,046<br><br>n/a   | Newsletter issued quarterly<br><br>E-newsletter launched in March 2007 |
| <b>Stakeholder Survey</b><br><br>Annual survey of stakeholders to gauge their awareness of and satisfaction with OTMPC activities.                                                                | Understand stakeholder expectations and satisfaction with OTMPC and specific program areas; identify improvements and provide a baseline for tracking future shifts in stakeholder satisfaction. | Survey results: <ul style="list-style-type: none"> <li>• response rate</li> <li>• overall awareness of OTMPC (familiarity)</li> <li>• overall performance</li> <li>• overall value perception</li> <li>• overall satisfaction with staff</li> <li>• satisfaction with communications</li> <li>• partner engagement**</li> <li>• average number of times respondent has used programs</li> </ul> | Establish benchmarks                 | <ul style="list-style-type: none"> <li>• 19%</li> <li>• 60% very or somewhat</li> <li>• 6.8 out of 10</li> <li>• 6.3 out of 10</li> <li>• 7.4 out of 10</li> <li>• 6.1 out of 10</li> <li>• 42%</li> <li>• 2 times</li> </ul> | n/a                  |                                                                        |

\* Percentage of links clicked.

\*\* Percentage of respondents that have used an OTMPC program.

## 7



## &lt;&lt; GENERATE REVENUE &gt;&gt;

**TO GENERATE REVENUE, OTMPC FORGES A NUMBER OF STRATEGIC PARTNERSHIPS** with traditional and non-traditional partners. These partnerships are designed to increase investment in OTMPC-delivered programs and direct sales through integrated co-operative advertising opportunities in a variety of vehicles such as the *Ontario Travel Discoveries* magazine, [www.ontariotravel.net](http://www.ontariotravel.net) and other programs.

In 2006–2007, partner investment decreased as a result of the fact that a number of partnered initiatives that took place the previous year were not implemented, such as campaigns with Blue Mountain, Tourism Hamilton and the Blue Jays.

The strong Canadian dollar and a decline in visitors due to high gas prices and passport requirements contributed to a decrease in revenue from the Ontario Travel Information Centres in 2006–2007.

As these challenges are predicted to continue in the coming year, OTMPC will examine opportunities to improve the services offered at the centres for 2007–2008 including a new line of merchandise.

| PROGRAM/<br>ACTIVITY                                                                                                                                                                             | OBJECTIVES/<br>STRATEGY                                                                                                                                    | MEASURES            | PERFORMANCE          |                      |                      |                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|----------------------|----------------------|-------------------------------|
|                                                                                                                                                                                                  |                                                                                                                                                            |                     | 2006–2007<br>Targets | 2006–2007<br>Results | 2005–2006<br>Results | Comments                      |
| <b>Partnered Marketing Programs</b><br><br>Invest in events and projects that link the strength of Ontario's brand with specific experiential, destination and Northern marketing organizations. | Work with new and existing Ontario tourism partners to generate additional economic benefits for the tourism industry while generating revenues for OTMPC. | Partner investment* | \$2.1M               | \$2.3M               | \$2.7M               | Year-over-year shift: (\$0.4) |
|                                                                                                                                                                                                  |                                                                                                                                                            | Direct sales**      | \$1.4M               | \$1.5M               | \$1.5M               | \$0                           |



| PROGRAM/<br>ACTIVITY                                                                                                                                                        | OBJECTIVES/<br>STRATEGY                                                                                                                                                           | MEASURES | PERFORMANCE          |                      |                      |                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|----------------------|----------------------|-------------------------------|
|                                                                                                                                                                             |                                                                                                                                                                                   |          | 2006–2007<br>Targets | 2006–2007<br>Results | 2005–2006<br>Results | Comments                      |
| <b>Ontario Travel Information Centres (OTICs)</b><br><br>Ontario's official welcome centres provide visitors with essential, practical, on-the-spot information and advice. | Develop revenue generating strategies and opportunities to offset operational costs, including merchandise sales and options to partner with tourism businesses and destinations. | Revenue  | \$800K               | \$784K               | \$870K               | Year-over-year shift: (\$86K) |

\* Dollar amount received by OTMPC for participation in OTMPC-delivered programs.

\*\* Sales opportunities linked to *Ontario Travel Discoveries* magazine, OTMPC websites and other promotional programs.



# FINANCIAL STATEMENTS

## ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2007:

- > AUDITOR'S REPORT
- > BALANCE SHEET
- > STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
- > STATEMENT OF CASH FLOWS
- > NOTES TO FINANCIAL STATEMENTS

**TO THE BOARD OF DIRECTORS OF  
ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION**

We have audited the balance sheet of Ontario Tourism Marketing Partnership Corporation as at March 31, 2007 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. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 the management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants, Licensed Public Accountants  
Mississauga, Ontario  
May 11, 2007

# OTMPC 2006–2007 BALANCE SHEET

| March 31                                 | 2007<br>(\$ 000) | 2006<br>(\$ 000) |
|------------------------------------------|------------------|------------------|
| <b>ASSETS</b>                            |                  |                  |
| <b>Current</b>                           |                  |                  |
| Cash and cash equivalents                | 10,974           | 19,006           |
| Accounts receivable                      | 1,578            | 1,651            |
| Due from the Province                    | 1,229            | 588              |
| Prepaid expenses                         | 1,189            | 717              |
|                                          | <b>14,970</b>    | 21,962           |
| <b>Loan receivable</b> (Note 3)          | –                | 3,087            |
| <b>Capital assets</b> (Note 4)           | <b>1,085</b>     | 1,701            |
|                                          | <b>16,055</b>    | 26,750           |
| <b>LIABILITIES AND EQUITY</b>            |                  |                  |
| <b>Current</b>                           |                  |                  |
| Accounts payable and accrued liabilities | 5,575            | 9,899            |
| Deferred revenue (Note 5)                | 1,975            | 2,114            |
|                                          | <b>7,550</b>     | 12,013           |
| <b>Deferred revenue</b> (Note 5)         | –                | 3,000            |
| <b>Equity</b>                            |                  |                  |
| Accumulated Surplus                      | 8,505            | 11,737           |
|                                          | <b>16,055</b>    | 26,750           |

Approved on behalf of the Board:



Chair



Director

# OTMPC 2006–2007

## STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

| For the year ended March 31                          | 2007<br>(\$ 000) | 2006<br>(\$ 000) |
|------------------------------------------------------|------------------|------------------|
| <b>Revenues</b>                                      |                  |                  |
| Province of Ontario Grant (Note 6)                   | 58,658           | 55,686           |
| Advertising sales                                    | 3,236            | 3,679            |
| Travel Information Centres–sales and rentals         | 1,042            | 963              |
| Interest income                                      | 387              | 410              |
| Trade promotions                                     | 344              | 380              |
| Government of Canada                                 | 115              | 128              |
| Marketing research and other revenue                 | 227              | 35               |
|                                                      | <b>64,009</b>    | 61,281           |
| <b>Expenses</b>                                      |                  |                  |
| Advertising and sales promotion                      | 39,374           | 32,307           |
| Trade development                                    | 5,203            | 5,804            |
| Travel Information Centres (Note 7)                  | 5,901            | 5,577            |
| Administration (Note 8)                              | 6,155            | 5,351            |
| Tourism consumer information services                | 4,891            | 3,774            |
| Events marketing program                             | 3,065            | 2,993            |
| Research                                             | 1,151            | 1,197            |
| Amortization of capital assets                       | 1,061            | 1,014            |
| Board and committee expenses (Note 9)                | 140              | 112              |
|                                                      | <b>67,241</b>    | 58,129           |
| <b>Excess (deficiency) of revenues over expenses</b> | <b>(3,232)</b>   | 3,152            |
| <b>Accumulated surplus, beginning of year</b>        | <b>11,737</b>    | 8,585            |
| <b>Accumulated surplus, end of year</b>              | <b>8,505</b>     | 11,737           |

# STATEMENT OF CASH FLOWS

| For the year ended March 31                            | 2007<br>(\$ 000) | 2006<br>(\$ 000) |
|--------------------------------------------------------|------------------|------------------|
| <b>Cash provided by operating activities</b>           |                  |                  |
| Excess (deficiency) of revenues over expenses          | (3,232)          | 3,152            |
| Add (deduct) non-cash items:                           |                  |                  |
| Amortization of capital assets                         | 1,061            | 1,014            |
|                                                        | (2,171)          | 4,166            |
| Change in non-cash working capital                     | (8,503)          | (5,597)          |
|                                                        | (10,674)         | (1,431)          |
| <b>Cash used in investing and financing activities</b> |                  |                  |
| Loan receivable                                        | 3,087            | (3,087)          |
| Capital asset additions                                | (455)            | –                |
| Lease obligations                                      | –                | (17)             |
|                                                        | 2,642            | (3,104)          |
| <b>Increase (decrease) in cash during the year</b>     | <b>(8,032)</b>   | <b>(4,535)</b>   |
| <b>Cash and cash equivalents, beginning of year</b>    | <b>19,006</b>    | <b>23,541</b>    |
| <b>Cash and cash equivalents, end of year</b>          | <b>10,974</b>    | <b>19,006</b>    |

## **1. NATURE OF CORPORATION**

The Ontario Tourism Marketing Partnership Corporation (OTMPC) 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. 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.

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 (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.

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

The Corporation is a not-for-profit organization, and thus not subject to income tax.

## **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**

#### *Province of Ontario Grant*

The Corporation is funded primarily by the Province of Ontario. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant is related to a future period, it is deferred and recognized in a subsequent period.

#### *Advertising Sales and Travel Information Centres – Sales and rentals*

Revenue from advertising sales and Travel Information Centres – sales and rentals is recognized in the period in which the service is provided or the program is run, the amount can be reasonably estimated and collection is reasonably assured.

#### *Interest Income*

Interest income is recognized in the period in which it is earned.

#### *Other*

Other revenue items are recognized in the period in which they relate, when the amount can be reasonably estimated and collection is reasonably assured.

### **(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.

## NOTES TO FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) 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 90 days.

#### (e) 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 three to five years.

#### (f) 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.

#### (g) Financial Instruments

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

### 3. LOAN RECEIVABLE

The loan receivable in the amount of \$3,000,000 plus interest was due from LOTR Toronto Management Corp. relating to the stage production of Lord of the Rings. The loan was originally funded from the 2004/2005 Revitalization budget. During the year, the production was closed and, as a result, the loan was expensed as unrecoverable.

### 4. CAPITAL ASSETS

|                                        | 2007<br>(\$ 000) |                             | 2006<br>(\$ 000)  |                   |
|----------------------------------------|------------------|-----------------------------|-------------------|-------------------|
|                                        | Cost             | Accumulated<br>Amortization | Net Book<br>Value | Net Book<br>Value |
| Furniture                              | 279              | 271                         | 8                 | 13                |
| Leasehold improvements                 | 432              | 423                         | 9                 | 16                |
| Tourism consumer information<br>system | 4,451            | 3,443                       | 1,008             | 1,493             |
| Assets under Capital Lease             | 589              | 529                         | 60                | 179               |
|                                        | <b>5,751</b>     | <b>4,666</b>                | <b>1,085</b>      | <b>1,701</b>      |

### 5. DEFERRED REVENUE

|                                                 | 2007<br>(\$ 000) | 2006<br>(\$ 000) |
|-------------------------------------------------|------------------|------------------|
| Cultural Tourism Strategy – Province of Ontario | –                | 1,981            |
| Revitalization Program – Province of Ontario    | –                | 3,000            |
| Brand Essence Program                           | <b>1,787</b>     | –                |
| Advertising programs                            | <b>188</b>       | 133              |
|                                                 | <b>1,975</b>     | 5,114            |
| Less: Current Portion                           | <b>(1,975)</b>   | (2,114)          |
|                                                 | <b>0</b>         | <b>3,000</b>     |

## 6. REVENUE: PROVINCE OF ONTARIO

The Corporation received funding from the Province as follows:

|                                | 2007<br>(\$ 000) | 2006<br>(\$ 000) |
|--------------------------------|------------------|------------------|
| Core funding                   | 39,176           | 40,678           |
| Brand Essence Program          | 9,613            | –                |
| Travel Information Centres     | 4,166            | 4,200            |
| Deferred from 2005/2006        | 4,981            | 9,889            |
| Summer Experience Program      | 275              | 276              |
| Northern Ontario Heritage Fund | 410              | 342              |
| Miscellaneous Advertising      | 37               | –                |
| Tourism Strategy               | –                | 65               |
| Innovation Fund                | –                | 236              |
|                                | <b>58,658</b>    | <b>55,686</b>    |

## 7. TRAVEL INFORMATION CENTRES

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. To cover the cost of assuming these responsibilities, the Management Board of Cabinet also approved an increase in the Corporation's revenue from the Province of Ontario by \$4.2 million.

The expenditures for the Travel Information Centres are as follows:

|                                   | 2007<br>(\$ 000) | 2006<br>(\$ 000) |
|-----------------------------------|------------------|------------------|
| Salaries and benefits             | 3,158            | 3,094            |
| Accommodation                     | 1,700            | 1,620            |
| Services                          | 593              | 515              |
| Transportation and communications | 118              | 152              |
| Supplies and equipment            | 70               | 108              |
| Merchandise for sale              | 261              | 88               |
|                                   | <b>5,901</b>     | <b>5,577</b>     |

The Corporation's contributions related to the Public Service Pension Fund (PSPF) and Ontario Public Service Employees' Union (OPSEU) pension funds for the year were \$125,663 (2006 – \$128,606) and are included in salaries and benefits.

## 8. ADMINISTRATIVE EXPENSES

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

|                                   | 2007<br>(\$ 000) | 2006<br>(\$ 000) |
|-----------------------------------|------------------|------------------|
| Salaries and benefits             | 5003             | 4,402            |
| Services                          | 719              | 583              |
| Transportation and communications | 285              | 275              |
| Supplies and equipment            | 148              | 91               |
|                                   | <b>6,155</b>     | <b>5,351</b>     |

The Corporation provides pension benefits for all its full-time employees through participation in the PSPF and the 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 \$267,711 (2006 – \$229,409) 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.

## NOTES TO FINANCIAL STATEMENTS

### 9. 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.

### 10. SALARY DISCLOSURE

Section 3(5) of the *Public Sector Salary Disclosure Act, 1996* required disclosure of Ontario public-sector employees who were paid an annual salary in excess of \$100,000. For the Corporation, in the calendar year 2006, this disclosure requirement is as follows:

| Name            | Position                                                            | Salary<br>(\$) | Taxable<br>Benefits<br>(\$) |
|-----------------|---------------------------------------------------------------------|----------------|-----------------------------|
| McInnis, Sandra | CEO/President                                                       | \$148,805      | \$263                       |
| Kenny, William  | Vice President, Industry<br>Relations & Corporate<br>Communications | \$113,477      | \$201                       |
| Garrett, Robin  | CEO/President                                                       | \$150,046      | \$261                       |

### 11. COMMITMENTS

The Corporation has various operating leases for its premises. The minimum annual lease payments for the next five years are as follows:

|      | (\$ 000) |
|------|----------|
| 2008 | 301      |
| 2009 | 227      |
| 2010 | 151      |
| 2011 | 140      |
| 2012 | 140      |

### 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 is not determinable.

### 13. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.