

Annual Report 2009–2010



Ontario Tourism Marketing Partnership Corporation

ONTARIO
Yours to discover

OTMPC

BOARD OF DIRECTORS

OTMPC'S BOARD OF DIRECTORS provides industry leadership, and 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 and Culture.

Board Directors, 2009–2010

Mr. William M. Duron, Chair
Chief Executive Officer, Royal Agricultural Winter Fair
Toronto
June 14, 2007–June 13, 2010

Mr. Antoni Cimolino, Vice Chair
General Director, Stratford Festival of Canada
Stratford
February 6, 2002–December 5, 2010

Mr. Fareed M. Amin
Deputy Minister, Ministry of Economic
Development and Trade
Toronto
February 13, 2008–February 12, 2011

Ms. Anna Buchnea
GM Sales Development & Communications, Air Canada
Toronto
April 2, 2008–April 1, 2011

Mr. Gilbert (Bud) Dickson
Owner, Canoe Canada Outfitters
Atikokan
September 20, 2006–September 19, 2010

Mr. Michel Gauthier
President, MGB Tourfest Inc.
Ottawa
June 1, 2005–July 22, 2009

Mr. Brian Richardson
Vice President, Brand Marketing and Communications
Fairmont Hotels & Resorts
Toronto
June 11, 2008–June 10, 2011

Mr. Charles Lorimer
Vice President, Sales and Marketing
ClubLink Corporation
King City
November 15, 2006–November 14, 2009

Mr. Jim Marchbank
CEO, Science North
Sudbury
September 24, 2008–September 23, 2011

Mr. Jack Robinson
CEO, CN Tower
Toronto
June 11, 2008–June 10, 2011

Mr. Allan Luby
President, Captain, Lake Navigation (Kenora) Ltd.
Kenora
June 27, 2007–June 26, 2011

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

OPERATIONAL PERFORMANCE

In 2009–10, the OTMPC focused its activities on four signature deliverables:

1. Build a strong brand that showcases Ontario's diverse experiences.
2. Increase number of consumers we "touch" (via web, direct mail, media and travel centre visits).
3. Leverage partnerships with industry by increasing private sector financial contributions.
4. Improve organizational effectiveness with a focus on employee engagement and development of clear performance goals.

Final results for these deliverables are outlined in the following performance tables.



OTMPC 2009–2010 ANNUAL REPORT

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MESSAGE FROM THE CHAIR

THIS YEAR MARKS THE END OF A LONG AND REWARDING TERM FOR ME AS CHAIR OF OTMPC. Looking back at the last five years, I am truly honoured to have helped steer this organization during a critical time in its development as the premier tourism marketer for the province of Ontario.

As I bid *adieu*, I would like to highlight some of the major accomplishments of the last five years of which we can all be proud.

LURING MORE VISITORS TO ONTARIO

It all started in 2007 when we created the award-winning “There’s No Place Like This” campaign. The catchy song and stunning visuals created a strong emotional connection with Ontarians. Today, the results speak for themselves. From 2007 up to winter 2010, the campaign has generated 1.8 million trips and \$320 million in visitor expenditures. Around the same time, we undertook consumer segment research in order to speak directly to our best prospect customers using the media of their choice.

To lure more visitors to the North, we launched a new marketing strategy in partnership with Industry Canada/FedNor and Northern Ontario Heritage Fund Corporation, as well as northern industry partners. An example of a successful

tactic is the “Ontario, Canada’s Great Outdoors” campaign in the United States. To date, awareness of the campaign within the target consumer segment has been strong, creating a positive impact on awareness of Ontario as an outdoors destination.

ALIGNING OUR PARTNERSHIPS

Recognizing that partnership is key to our success, we aligned our partnership programs with our marketing strategy to make the most effective use of everyone’s resources. To help industry leverage the Ontario brand, we introduced a brand toolkit.

We partnered with the Tourism Industry Association of Ontario (TIAO) to produce a joint Ontario Tourism Summit that brought the entire industry together for learning and networking. In 2008, the Summit generated its highest attendance with 580 delegates.

IMPROVING HOW WE OPERATE

In our ongoing efforts to build a strong team, we continued to foster the right environment for OTMPC staff to thrive and grow. The staff agreed. The latest employee survey shows that we improved employee engagement by 3.2 per cent.

We also improved financial management and consistently met fiscal targets even with significant in-year shifts in the business plan and operating budget.

Finally, we moved OTMPC’s head office to the intersection of Yonge and Dundas Streets in downtown Toronto. Given that the intersection is a media hub and attracts the highest foot traffic in the city, the move has opened up new media and promotion opportunities for the future.



DEVELOPING A VISION FOR THE FUTURE

We also started to plan our vision for the future. Specifically, we focused on developing strategies to evolve our Internet (web) and travel information services to meet the expectations of today's consumers. Our online strategy includes the latest online tools such as trip planning, trip mapping and seamless reservations. The travel centre strategy aims to maximize partnerships with regions and cities and broaden the reach of the Ontario brand.

On the horizon, I see many opportunities for OTMPC to take a leadership role with the newly created tourism regions and the Regional Tourism Organizations (RTOs). The Ontario government is providing considerable investment to help the tourism regions succeed. A consistent and coordinated approach to marketing Ontario will help ensure our province attracts more visitors and generates more economic activity for everyone's benefit.

I would like to express my sheer delight in working with a wonderful team of professionals and committed industry volunteers on the OTMPC Board and Committees. With your support and dedication, we were successful in establishing OTMPC as a marketing leader that will serve the tourism industry well for years to come.

Ave atique vale. Hail and farewell!

A handwritten signature in black ink, appearing to read 'W. M. Duron'.

William M. Duron
Chair

Ontario Tourism Marketing Partnership Corporation



MESSAGE FROM THE PRESIDENT

WE ARE ON THE RIGHT TRACK. In 2009–10, OTMPC entered the second year of our three-year strategy, and our results this year demonstrate that our strategy is working.

Ontario is slowly emerging from a particularly challenging time for tourism. The global recession, a strong Canadian dollar, increasing competition from international destinations and high fuel prices have each had an impact on tourism revenues. In response, we adjusted our marketing strategies and worked with our tourism partners to address these challenges head on.

ZEROING IN ON BEST PROSPECT CUSTOMERS

In order to speak directly to our best prospect customers, we implemented multi-media programs for three segments identified by our research. As a result, our consumer database has grown to 223,000 engaged people, an increase of 63 per cent since we introduced our segmented marketing programs in 2007. Awareness of their own province as a destination for Ontarians to take short getaways grew to 72 per cent – 13 per cent above target – and our consumer web

activity is increasing. Web user sessions totalled more than three million and visitors are consistently visiting more pages on our website.

SHOWCASING ONTARIO TO THE WORLD

This year we used the global spotlight on Canada's Winter Olympic Games to showcase Ontario to the world. Canadian Olympic coverage received unprecedented viewing numbers and our promotions were seen by millions of potential travellers across the country. For the first time, we brought tourism partners together to introduce a common retail offer. The direct result was almost 3,000 room nights sold for partners representing a three per cent conversion rate. Based on this success, we plan to introduce similar campaigns in the future.

To welcome travellers to Canada, we partnered with the Canadian Tourism Commission (CTC), the Canada Border Services Agency and local airport

authorities to animate two international airports. The program exposed more than 38,000 daily international passengers to vibrant Ontario travel images as they arrived at Toronto's Pearson and Ottawa's Macdonald-Cartier international airports. In two arrival areas at Pearson, video screens were also installed and we continue to inspire travellers with stunning footage and a welcome message in 17 languages.

SPREADING THE ONTARIO STORY

In 2009–10, we generated excitement around the world through media stories and events. In total, we achieved \$188 million worth of media coverage worldwide including high-profile stories in outlets such as ABC's *Good Morning America*. We also started a discussion online with more than 1,000 Ontario Facebook fans who signed on to share favourite travel spots and information about upcoming events.



During Tourism Week in early June 2009, extensive media buzz was generated in local communities across the province encouraging Ontarians to take a “staycation.” To help spread the word, we worked with industry partners to animate our Ontario Travel Information Centres with interactive exhibits. Together, we reached more than three million people with our “staycation” message.

LOOKING AT THE ROAD AHEAD

As the industry structure transforms with the establishment of new Regional Tourism Organizations, there is an opportunity to clearly define the roles of the regions and the provincial marketer. OTMPC’s objective is to play a leadership role in the areas of international marketing, provincial branding, web development and research.

International visitors present a tremendous marketing opportunity for Ontario, and OTMPC is moving quickly to capitalize on emerging markets. Coming up, Ontario will be hosting the International Indian Film Awards in June 2011 and Canada is anticipating Approved Destination Status in China. These will be important opportunities to build our international profile and showcase Ontario as a premier tourism destination.

PARTNERSHIP REMAINS KEY TO OUR SUCCESS

We are excited by the activities that have taken place this year and by the robust results they have generated. Most importantly, satisfaction among our partners has remained strong, as reported in our annual survey.

On a final note, I would like to express our gratitude to outgoing Chair Bill Duron. Bill has demonstrated tremendous vision, unwavering enthusiasm and a deep commitment to OTMPC and the industry in this role. It is truly a pleasure to work with so many dedicated individuals who inspire me daily with their talent and commitment to our success. With such an effective team and partner support, I have very high hopes for the road ahead.

Robin Garrett
President & CEO
Ontario Tourism Marketing Partnership Corporation



CORPORATE OVERVIEW

CORPORATE MANDATE

To market Ontario, in partnership with the private and public sectors, as a premier, year-round 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. The Corporation 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 improve continuously and evolve as a successful private/public partnership, the OTMPC plays a key role in strengthening Ontario's tourism economy and establishing Ontario as a premier, year-round destination.

VISION

To be Ontario's premier tourism marketer.

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, U.S. 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, U.S. 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 in Canada, the U.S. and overseas.

Industry Relations The industry relations unit works to effectively partner with the tourism industry to market Ontario as a year-round travel destination.

Partner Sales OTMPC offers its partners the opportunity to market their products under the Ontario brand and to enter important markets that might not otherwise be accessible. 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 in Ontario.

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. The annual Ontario Tourism Summit, a business conference for more than 450 tourism executives to provide education and networking opportunities, is one example of the programs undertaken.



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 and Culture. Board Directors may also sit on one of four committees: the Executive Committee, the Nominations Committee, the Finance and Audit Committee, or 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.

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.

NOMINATIONS COMMITTEE

The Nominations Committee is responsible for succession planning for the committees and Board.

The Board relies on input from five industry-led working committees reporting through committee chairs. They are comprised of 12 to 15 volunteer members. Committees and OTMPC staff

collaborate to develop marketing strategies, tactics and partnership programs that make up the annual OTMPC marketing plan.

COMMITTEE/SUBCOMMITTEE	FUNCTION
North America	Identifies, develops and monitors marketing strategies, tactics and programs for the domestic and key U.S. markets.
Meetings, Conventions & Incentive Travel (MC&IT)	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	Identifies, develops and monitors marketing strategies, tactics and programs for key Northern markets.
Overseas	Identifies, develops and monitors marketing strategies, tactics and programs for key Asia-Pacific and European markets.
Outdoor	Identifies, develops and facilitates outdoor experiences, packaging programs and product alliances.



OPERATIONAL PERFORMANCE

IN 2009–2010, OTMPC FOCUSED ITS ACTIVITIES ON FOUR SIGNATURE DELIVERABLES.

1. BUILD A STRONG BRAND THAT SHOWCASES ONTARIO'S DIVERSE EXPERIENCES.
2. INCREASE NUMBER OF CONSUMERS WE "TOUCH" (VIA WEB, DIRECT MAIL, MEDIA AND TRAVEL CENTRE VISITS).
3. LEVERAGE PARTNERSHIPS WITH INDUSTRY BY INCREASING PRIVATE SECTOR FINANCIAL CONTRIBUTIONS.
4. IMPROVE ORGANIZATIONAL EFFECTIVENESS WITH A FOCUS ON EMPLOYEE ENGAGEMENT AND DEVELOPMENT OF CLEAR PERFORMANCE GOALS.

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

1.



BUILD A STRONG BRAND THAT SHOWCASES ONTARIO'S DIVERSE EXPERIENCES.

BUILD A STRONG BRAND THAT SHOWCASES ONTARIO'S DIVERSE EXPERIENCES, BOTH CULTURAL AND OUTDOOR, BY USING INNOVATIVE TECHNIQUES AND TECHNOLOGY TO MARKET ONTARIO.

Summer

OTMPC's marketing activities focused on attracting families with a range of activities across a variety of media including a double-page spread in *Today's Parent* and *Chatelaine*, search engine marketing, online advertising, and e-mail deployments. A partnership with Canwest Global featured live remotes in various locations across Ontario over an eight-week period. The partnership also included advertising and editorial in *The National Post* and an online presence on Canada.com.

OTMPC assembled a collection of Ontario getaways and packages ranging from culinary adventures to restorative spas to golf experiences. Entitled "Getaways Collection," the getaways program was promoted in the spring through a 36-page guide distributed directly to targeted home subscribers of *Chatelaine*, CAA and *Zoomer* magazines. Partnered ads in *The Globe and Mail* and *Food and Drink* magazine encouraged readers to call or go online for a copy.

Quebec personality Chantal Fontaine hosted a series of on-location Ontario vignettes on Radio Canada TV to encourage Francophone families in Montreal to visit Ontario. Ontario also targeted English Montrealers in May and June through a series of full-page ads in

the *Montreal Gazette* complemented by radio on key Montreal stations.

OTMPC partnered with the province's 13 tourism and cultural agencies, and Ontario Parks, for an interactive cross promotion. A 24-page interactive brochure was created and placed in the agency section of ontariotravel.net with links connecting consumers directly to agency and Ontario Parks' websites.

Building on our popular "There's No Place Like This" campaign, OTMPC launched the newest TV ad with Ontario-based artist Justin Hines in late May. The closing screen of the ad included a strong value proposition and a call to action to ontariotravel.net.

Fall

To encourage more Ontarians to travel in the province in the fall, the *Fall Adventures* book highlighted experiences for adventurers and families, including outdoor experiences, festivals and events, and artisan tours. The booklet's primary focus was on 18 suggested driving routes with price-pointed offers. The bulk of the 400,000 English and 15,000 French-language copies of the 36-page book were distributed to targeted households via newspaper with the balance distributed via Ontario Travel Information

Centres, 1-800-ONTARIO and partners in early September. A new URL, ontariotravel.net/fall, linked consumers to a special landing page on OTMPC's main consumer website to find more details, contest information and other planning tools. Online advertising of fall getaway ideas used an interactive calendar on targeted sites, including Trip Advisor, iExplore, Sympatico, *The Globe and Mail* and Rogers (*Maclean's*, 680 News, CHFI), to encourage consumers to explore golf, theatre, wine and culinary, spa, outdoor and other fall adventures online early September to mid-October.

Winter

Ontario's growth as a travel brand continued in the fourth quarter of the 2009–10 fiscal year. Unaided awareness levels exceeded winter norms. The Come Together campaign boosted Ontario's presence during a highly congested advertising period, and the TV execution managed to cut through the clutter during the Olympics. Interest in travel to Ontario from New York City and Boston increased significantly in the winter of 2010. This could be attributed, in part, to a boost in consumer awareness of Ontario as a result of the Winter Olympics. More importantly, OTMPC saw a sustained long-term positive trend on all of the key brand pillars.



PROGRAM	OBJECTIVES	PERFORMANCE MEASURE	2008–2009 Actual				2009–2010 Target				2009–2010 Results			
				Ont.	Montreal	U.S. Near		Ont.	Montreal	U.S. Near		Ont.	Montreal	U.S. Near
Build a Strong Brand That Showcases Ontario's Diverse Experiences	To increase Ontario's brand awareness in all four seasons in key markets (Domestic & U.S.) in order to stimulate travel to Ontario	Awareness of Ontario for short getaways through use of market based consumer surveys (which destination or place first comes to mind when thinking of taking a short getaway of 1–3 days away from home)	Summer ¹	66%	45%	17%		63%	40%	18%		65%	38% ²	16%
			Fall	58%	40%	20%		58%	30%	20%		63%	40%	13%
			Winter	68%	n/a	15%		59%	30%	18%		72%	43%	16%
	To strengthen Ontario's distinct brand image versus the competition	Good place for short getaways	Summer	8.9	7.4	7.9		8.8	6.9	8.0		8.5	7.3	7.5
			Fall	8.5	7.2	7.7		8.9	7.0	7.6		8.6	7.6	7.9
			Winter	8.6	n/a	7.5		8.8	7.0	7.7		8.6	7.5	7.8
		A place where it is easy to have a vacation	Summer	9.0	7.8	7.5		8.8	7.4	7.5		8.5	7.6	7.2
			Fall	8.6	7.7	7.6		8.9	7.4	7.4		8.7	7.9	7.3
			Winter	8.6	n/a	7.3		8.9	n/a	7.3		8.5	7.9	7.6
		A place that has a lot to see and do	Summer	8.9	7.6	8.2		8.9	7.4	8.5		8.5	7.4	8.0
			Fall	8.5	7.4	8.1		8.7	7.5	8.1		8.6	7.7	8.0
			Winter	8.6	n/a	7.9		8.9	n/a	8.1		8.5	7.6	8.1
		A place where you can experience something new and different	Summer	8.0	6.9	7.8		7.9	6.7	8.1		7.5	6.6	7.7
			Fall	7.5	6.6	7.6		7.8	6.4	7.6		7.7	7.1	7.6
			Winter	8.0	n/a	7.5		7.7	n/a	7.8		8.0	6.8	7.6



PROGRAM	OBJECTIVES	PERFORMANCE MEASURE	2008–2009 Actual		2009–2010 Target		2009–2010 Results	
Build a Strong Brand That Showcases Ontario's Diverse Experiences (continued)	To increase return on brand and partnered program investments made by OTMPC	Return on Investment (ROI) is the incremental visitor spending for every dollar invested by OTMPC through brand and partnered programs across domestic and U.S. markets	Summer	\$ 5.50	Summer	\$5.50	Summer	\$ 8.50 (Ontario & Montreal)
			Fall	\$71.00 (Ontario only)	Fall	\$5.00	Fall	\$56.30 (Ontario only) ³
			Winter	\$18.70 (Ontario only)	Winter	\$3.00	Winter	\$10.90 (Ontario only)

1. Summer, Fall, Winter; respondents to the ROI survey were asked the extent to which any Ontario advertising they have seen or heard within the past few months influenced their decision to take any pleasure trips to/within Ontario during June, July and August. The "Stated Impact" ROI Analysis is conducted using the following definition of impact or influence: Definitely recall at least one (any) summer ad and state that Ontario advertising significantly influenced their decision to travel to/within Ontario.

2. Weaker spring awareness for Montreal is due to economic conditions where consumer travel behaviour is increasingly difficult to influence.

3. Much like awareness, ROI results for 2009 are weaker (starting with winter 2009) due to the economic environment. Consumers reduced spending in general and it was harder to influence them to travel even for short getaways.

2.



INCREASE NUMBER OF CONSUMERS WE "TOUCH" VIA WEB, DIRECT MAIL, MEDIA AND TRAVEL CENTRE VISITS

IN THE SUMMER OF 2009, OTMPC LAUNCHED ITS ONTARIO FAN PAGE ON FACEBOOK;

by the fourth quarter of 2009–10, over 1,000 fans signed on to share favourite travel spots and information about upcoming events. The media relations team achieved a series of high-profile media stories including

segments on *Good Morning America*. During Tourism Week in early June, extensive media buzz was generated in local communities across the province, and the Ontario Travel Information Centre staff hosted open houses in their centres with many industry partners. Ontario's travel information centres serve as a vital

in-market resource for travellers and generate significant tourism spending. Results show that \$74 million in additional tourism spending was generated solely as a result of stops at the centres during the survey's five-month window from May 20 to October 31, 2008.

(Source: OTIC Consumer Survey, 2008).

PROGRAM	OBJECTIVES	PERFORMANCE MEASURE	2008–2009 Actual	2009–2010 Target	2009–2010 Results
Media/Public Relations (PR)	To develop effective media promotions strategies that showcase Ontario's unique experiences	Program's operational costs leverage significant advertising/PR value (value of unpaid article or media coverage if OTMPC was to purchase coverage in key markets) in all priority markets	\$223M	\$166M	\$188M ⁴



PROGRAM	OBJECTIVES	PERFORMANCE MEASURE	2008–2009 Actual	2009–2010 Target	2009–2010 Results
Ontario Travel Information Centres (OTICS)	To increase visitation to the Ontario Travel Information Centres	Number of visitors to the Ontario Travel Information Centres	1.2M	1.2M	1.0M ⁵
	To increase the number of direct interactions between consumers and travel counsellors	Number of consumer inquiries serviced	435K	460K	378K ⁶
Interactive Marketing	To provide information and generate interest in travel to Ontario	Web user sessions	2.4M	2.6M	3.6M

4. During a challenging period for the print media, several newspapers and magazines suspended operations while most others decreased their operating budgets. This impacted the volume of travel journalism. OTMPC also has been transitioning its media relations efforts to online and social media, where consumer views can be higher but the independent valuation of unpaid media coverage is lower.

5. The majority of OTICs are located at Ontario-U.S. border crossings. Confusion about documentation requirements, high gas prices and the economic downturn have continued to negatively impact U.S. visitation which has negatively impacted OTIC visitation.

6. Decreased U.S. visitation has also negatively impacted consumer inquiry results.

3.



LEVERAGE PARTNERSHIPS WITH INDUSTRY BY INCREASING PRIVATE SECTOR FINANCIAL CONTRIBUTIONS

A NUMBER OF OTMPC PARTNERSHIPS CONTINUED TO ENCOURAGE CONSUMERS TO SEEK REST,

relaxation and adventure in Ontario's great outdoors. Ontario was well represented by OTMPC and industry partners, including Sunset Country, Algoma Kinniwabi Travel Association and Canoe Canada, at Bass Pro Shops' Vaughan Mills store during the week of August 17 in conjunction with the outlet's 2009 Fall Hunting Classic promotion.

Readers of *Chill*, the Beer Store's in-house magazine, were introduced to Ontario boating and wakeboarding, which featured prominently in the publication's summer edition and as presented in a "Wake up and Chill" contest. All activities drove consumers to northernontario.travel.

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

economy. Through the Tourism Event Marketing Partnership Program (TEMPP), OTMPC invested in events to help communities across the province stage signature events (e.g. Toronto International Film Festival, Ottawa International Jazz Festival, Sudbury Comedy Festival and the Niagara Ice Wine Festival) as well as local community-level festivals and events across the province.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURE	2008–2009 Actual	2009–2010 Target	2009–2010 Results
Industry Partnerships	To develop partnered (public and private) programs with the tourism industry thereby leveraging OTMPC's marketing investment for the benefit of Ontario's tourism industry	Cash – dollar amount received by OTMPC from a partner for participation in OTMPC delivered programs	\$1.8M	\$1.1M	\$1.0M ⁷
		Leverage – the dollar amount that OTMPC's investment in a partner's program (private and public) triggers in additional investment	\$12.3M	\$11.1M	\$12.6M



PROGRAM	OBJECTIVES	PERFORMANCE MEASURE	2008–2009 Actual	2009–2010 Target	2009–2010 Results
Industry Partnerships (continued)	To increase revenues as a result of advertising sales	Direct sales revenues	\$1.5M	\$1.5M	\$1.5M ⁸
	To increase revenues generated through advertising sales, merchandising and currency exchange services	Ontario Travel Information Centre revenues	\$549K	\$600K	\$364K ⁹

Note: OTMPC's investment in partner-led marketing initiatives is partially matched by partners thereby increasing the amount of marketing to consumers and driving increased visitation for the overall benefit of the province.

7. In 2009, OTMPC experienced a drop in partnership dollars due to reduced partnerships from Destination Marketing Organizations (DMOs). Some DMOs chose not to partner due to budget constraints while others ran independent overseas campaigns. Also of note, in 2008 Ontario held the DerTour conference (a one-time event) which resulted in a spike in partnership contribution from the Ontario tourism industry.

8. Direct sales remained flat, slightly below target due to a poor economic climate.

9. Significant reduction in revenue as a result of a major partner (currency exchange supplier) not renewing a multi-year contract due to the rising Canadian dollar.

4.



IMPROVE ORGANIZATIONAL EFFECTIVENESS WITH A FOCUS ON EMPLOYEE ENGAGEMENT AND DEVELOPMENT OF CLEAR PERFORMANCE GOALS

IMPROVING ORGANIZATIONAL EFFECTIVENESS is a key commitment for OTMPC. OTMPC's corporate priorities include: having a visitor focus; striving for marketing excellence; and building and maintaining effective partnerships through a strong, results-driven team.

Industry Satisfaction Survey

The proportion of stakeholders who feel OTMPC provides good value to their organization rebounded this year while

scores on overall performance and satisfaction with its programs and services remained stable over the same time period. Satisfaction with OTMPC's effectiveness in attracting visitors from within Ontario and from other provinces continued to trend up.

Industry partners continued to view OTMPC's staff as its strength, garnering some of the organization's highest scores. Specific value was placed on the level of

knowledge the staff have about the tourism industry and their responsiveness to requests.

OTMPC's annual stakeholder satisfaction survey was conducted by Ipsos-Reid. The study was conducted among Ontario tourism industry members who are subscribers to OTMPC's stakeholder newsletter or are registered with the OTMPC industry website tourismpartners.com.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURE	2008–2009 Actual	2009–2010 Target	2009–2010 Results
Organizational Effectiveness	To improve industry satisfaction with OTMPC programs and services	Industry satisfaction with OTMPC programs and services	6.7/10	6.7/10	6.6/10 ¹⁰
	To improve organizational effectiveness	Measure degree to which employees feel engaged	n/a	73%	73% ¹¹

10. Overall user satisfaction with OTMPC is consistent with 2009 and up significantly from 2007.

11. Measured every two years. OTMPC maintained existing level of engagement.



FINANCIAL STATEMENTS

ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

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MANAGEMENT REPORT

OTMPC 2009–2010

The accompanying financial statements are the responsibility of the management of the Ontario Tourism Marketing Partnership Corporation. The financial statements have been prepared by management in accordance with Canadian generally accepted accounting policies. The statements include certain amount based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

Management maintains a system of internal accounting and administrative control that is designed to provide reasonable assurance the financial information is relevant, reliable and accurate and that the Corporation's assets are properly accounted for and adequately safeguarded.

The financial statements have been audited by BDO Canada LLP, a firm of independent external auditors appointed by the Board of Director, whose report follows.



Marlene Stirrett-Matson
Director, Corporate Services
May 7, 2010



Lidia Maleckyj
Treasurer
May 7, 2010

AUDITORS' REPORT

OTMPC 2009–2010

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, 2010 and the statements of operations and accumulated surplus, statement of fund balances 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, 2010 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 7, 2010

BALANCE SHEET

OTMPC 2009–2010

March 31	2010 (\$ 000)	2009 (\$ 000)
ASSETS		
Current		
Cash and cash equivalents	3,136	2,893
Accounts receivable	930	1,461
Due from the province	6,857	2,824
Inventory	116	—
Prepaid expenses	35	542
	<u>11,074</u>	<u>7,720</u>
Capital assets (Note 3)	4,138	3,797
	<u>15,212</u>	<u>11,517</u>
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	8,397	6,084
Deferred revenue (Note 4)	1,539	568
	<u>9,936</u>	<u>6,652</u>
Fund Balances		
Investment in capital assets	4,138	3,797
Unrestricted	1,138	1,068
	<u>5,276</u>	<u>4,865</u>
	<u>15,212</u>	<u>11,517</u>

Approved on behalf of the Board:



Chair



Director

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

OTMPC 2009–2010

For the year ended March 31	2010 (\$ 000)	2009 (\$ 000)
Revenues		
Province of Ontario Grant (Note 5)	50,798	52,629
Advertising sales	2,189	2,147
Travel Information Centres – Sales and rentals	888	699
Interest income	18	202
Trade promotions	135	571
Government of Canada	100	104
Marketing research and other revenue	171	266
	54,299	56,618
Expenses		
Advertising and marketing	29,062	32,806
Partnerships and sales	2,366	3,166
Travel Information Centres (Note 6)	6,484	6,346
Administration (Note 7)	6,961	6,617
Tourism consumer information services	2,860	3,184
Events marketing program	4,161	2,760
Research	1,017	1,365
Amortization of capital assets	915	465
Board and committee expenses (Note 8)	62	100
	53,888	56,809
Excess (deficiency) of revenues over expenses	411	(191)

STATEMENT OF FUND BALANCES

OTMPC 2009–2010

For the year ended March 31, 2010

	Unrestricted	Investment in Capital Asset	2010 Total	2009 Total
Net assets, beginning of the year	1,068	3,797	4,865	5,056
Excess (deficiency) of revenue over expenditures for the year	1,326	(915)	411	(191)
Purchase of capital assets	(1,256)	1,256	—	—
Net assets, end of year	1,138	4,138	5,276	4,865

STATEMENT OF CASH FLOWS

OTMPC 2009–2010

For the year ended March 31	2010 (\$ 000)	2009 (\$ 000)
Cash provided by operating activities		
Excess (deficiency) of revenues over expenses	411	(191)
Add (deduct) non-cash items:		
Amortization of capital assets	915	465
	<u>1,326</u>	<u>274</u>
Change in non-cash working capital	173	(2,521)
	<u>1,499</u>	<u>(2,247)</u>
Cash used in investing and financing activities		
Capital asset additions	(1,256)	(2,664)
Increase (decrease) in cash during the year	243	(4,911)
Cash and cash equivalents, beginning of year	2,893	7,804
Cash and cash equivalents, end of year	3,136	2,893

NOTES TO FINANCIAL STATEMENTS

OTMPC 2009–2010

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 Regulation was amended by Ontario Regulation 271/04 in September, 2004 to extend the mandate of the Corporation indefinitely. 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.

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 Centers – Sales and Rentals

Revenue from Advertising sales and Travel Information Centers – 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) Partner Support

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

(d) Cash and Cash Equivalents

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Inventory is comprised of merchandise available for sale at the Travel Information Centres.

(f) 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.

(g) Funds Invested in Capital Assets

Funds invested in capital assets represents funds provided for the acquisition and financing of capital assets. The financing of funds invested in capital assets is transferred from operations on an annual basis.

(h) 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.

(i) 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.

The Corporation classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Corporation's accounting policy for each category is as follows:

Loans and receivables

These assets are non-derivative financial assets, recognized at fair value, resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of services to customers (accounts receivable), but also incorporate other types of contractual monetary assets.

Other financial liabilities

Other financial liabilities are recognized at fair value and include trade payables and other short-term monetary liabilities.

(j) Capital Management

The Corporation's capital consists of its accumulated surplus. The Corporation's primary objective of capital management is to ensure that it has sufficient resources to continue to promote tourism in Ontario. The Corporation is not subject to any externally imposed capital requirements.

NOTES TO FINANCIAL STATEMENTS

3. CAPITAL ASSETS

	2010 (\$ 000)		2009 (\$ 000)	
	Accumulated Cost	Amortization	Net Book Value	Net Book Value
Furniture	333	118	215	276
Leasehold improvements	1,514	454	1,060	1,362
Tourism consumer information system	4,131	1,268	2,863	2,159
	5,978	1,840	4,138	3,797

4. DEFERRED REVENUE

	2010 (\$ 000)	2009 (\$ 000)
International Indian Film Awards	1,500	—
VANOC Funding	—	450
Advertising programs	39	118
	1,539	568

5. REVENUE: PROVINCE OF ONTARIO

The Corporation received funding from the Province as follows:

	2010 (\$ 000)	2009 (\$ 000)
Core funding	38,552	39,441
Travel Information Centres	4,331	4,331
VANOC Funding deferred from 08/09	450	—
Stratford and Shaw Festival Funding	1,000	—
Brand Essence Program	—	8,161
Media Buys	5,857	—
Summer Experience Program	333	286
Northern Ontario Heritage Fund	—	135
Events Marketing	275	275
	50,798	52,629

6. TRAVEL INFORMATION CENTRES

The expenditures for the Travel Information Centres are as follows:

	2010 (\$ 000)	2009 (\$ 000)
Salaries and benefits	3,382	3,401
Accommodation	1,886	1,839
Services	498	414
Transportation and communications	160	188
Supplies and equipment	68	113
Merchandise for sale	490	391
	6,484	6,346

The Corporation's contributions related to the PSPF and OPSEU pension funds for the year were \$144,596 (2009 – \$135,868) and are included in salaries and benefits.

7. 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:

	2010 (\$ 000)	2009 (\$ 000)
Salaries and benefits	5,767	5,466
Services	983	859
Transportation and communications	157	238
Supplies and equipment	54	54
	6,961	6,617

The Corporation provides pension benefits for all its full-time employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multi-employer defined benefit pension plans established by the Province. These plans are accounted for as defined contribution plans, as the Corporation has insufficient information to apply defined benefit plan accounting to these pension plans. The Corporation's contributions related to the PSPF and OPSEU Pension Fund for the year were \$350,380 (2009 – \$306,863) 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.

8. 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.

9. 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 2009, this disclosure requirement is as follows:

Name	Position	Salary (\$)	Taxable Benefits (\$)
Garrett, Robin	President/ Chief Administrative Officer	\$166,345	\$285
Lanyon, Mary-Ann	Vice President, Marketing and Sales	\$135,759	\$224
Kenny, William	Vice, President, Industry Relations	\$135,759	\$224
Rowland, Nancy	Director, Corporate Services	\$117,850	\$187
Rubinstein, Suzanne	Director, Ontario Travel Information Centres	\$114,595	\$187
Mathias, Raymond	Director, Overseas Marketing	\$110,138	\$184
Maxwell, Carol	Director, North America Marketing	\$109,468	\$180
Milner, Christopher	Director, Northern Partnerships	\$115,781	\$186
Holliday, Julia	Director, Interactive Marketing and Call Centre	\$116,091	\$186
Nahm, Jane	Manager, Operations	\$109,450	\$159
Sturrock, Barbara	Manager, Human Resources	\$100,635	\$160
Ramkissoonsingh, Narvin	Director, Partnerships	\$100,407	\$170
Waldbrook, Loriann	Manager, Strategic Partnership	\$102,836	\$170

NOTES TO FINANCIAL STATEMENTS

10. COMMITMENTS

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

	(\$ 000)
2011	1,034
2012	1,032
2013	1,013
2014	845
2015	546
Thereafter	1,594

11. CONTINGENT LIABILITY

The Corporation is involved in a dispute with a former supplier over amounts billed to the Corporation of approximately \$1.5 million. Management is vigorously defending its position. The outcome is not determinable. However, being conservative, the Corporation has accrued \$220,000 for any potential liability.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the financial statement presentation adopted for the current year.