

A woman wearing a white helmet, a light blue long-sleeved shirt, and dark shorts is ziplining through a dense green forest. She is smiling and looking towards the camera. The background is a lush green forest with many trees.

2012-2013
**ANNUAL
REPORT**

ONTARIO
Yours to discover

| OTMPC

ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION

AN AGENCY OF THE GOVERNMENT OF ONTARIO





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■ MESSAGE FROM THE CHAIR

Destinations around the world recognize tourism as an economic driver and as a contributor to employment. As Canada's tourism industry continues to face increasing competition from global destinations, a shifting social and cultural environment, and evolving technologies, it is more important than ever for all tourism industry partners in Ontario to work together and leverage our collective resources and expand our market reach.



In 2012-13, OTMPC made important strides to further its objectives to increase tourism visitation and expenditures. The agency's revamped governance structure, for example, served a useful role this year in securing input from industry partners to guide OTMPC's marketing efforts. A review of OTMPC's partnership programs, including its granting programs, to determine whether they align with the agency's strategic priorities was completed this year. The major recommendation from the review is to direct OTMPC's future partnership funding to industry proposals that target both overnight and out-of-province visitors. Details of the program plans will be announced in the next fiscal year.

On the technology front, OTMPC took the next step in its digital evolution by securing a supplier for the modernization project of our Tourism Information Consumer System (TCIS) and introducing its first mobile app. Making it easy for consumers to access information and plan their trip is critical in a highly-competitive marketing environment. We look forward to future enhancements coming out of this project.

In emerging tourism markets, such as China and India, the development of a populous middle class with a keen interest in travel provides significant opportunity for the industry. OTMPC continued to build on long-term investments in key international markets in partnership with the Canadian Tourism Commission (CTC) and is focusing efforts on large global events, such as 2014 World Pride and 2015 Pan Am/Para Pan Am Games, to increase awareness of Ontario as a premier destination. Closer to home, we launched a marketing program to encourage both newcomers to Ontario and their visiting friends and relatives from international markets to discover the province's tourism assets, and continued our efforts to sustain visitation from Quebec and the United States.

To ensure tourism industry training and dialogue focuses on industry's priority topics, this year we announced that the annual Ontario Tourism Summit would be transferred to the Tourism Industry Association of Ontario (TIAO). Over time with our partnerships, the Summit has evolved into the pre-eminent industry event for the entire tourism industry in Ontario. In recognition of this evolution, OTMPC was pleased to announce the transfer of leadership to TIAO beginning in 2013. As the umbrella organization for Ontario's tourism industry, TIAO will be able to tap into its relationships within the industry and increase the number of delegates. OTMPC will continue to be a strong partner with TIAO and will continue to coordinate the Ontario Tourism Marketing Awards.

At this year's Summit, we also announced that Ronald Holgerson was appointed as the permanent President and CEO of OTMPC. Since joining the organization in July 2011, Ronald has led OTMPC in maximizing the impact of its investments and elevating brand awareness of Ontario both nationally and internationally. He has also led the organization in strengthening relationships with key partners including the Regional Tourism Organizations (RTOs), government agencies and attractions, as well as the CTC. I look forward to working with him and my fellow board members in the coming year.

A handwritten signature in dark ink, appearing to read 'Antoni Cimolino'.

Antoni Cimolino

Chair, Ontario Tourism Marketing Partnership Corporation

■ MESSAGE FROM THE PRESIDENT

Fiscal 2012-13 was a milestone year for OTMPC. It was a year of firsts, as we launched new and innovative campaigns, while continuing to build on the momentum generated by ongoing activities. It was also a year of critical first steps in developing overarching strategies that will help us increase the profile of Ontario as a premier tourism destination at home and around the world.

To lay the foundation for future marketing and brand strategies, OTMPC completed two very large and comprehensive research projects across four continents in 2012. For insights into North American markets, we worked with all RTOs to identify 12 unique consumer segments based on preferred travel experiences and media habits. As a first step in developing a compelling and differentiated international brand strategy, a consumer study across 11 countries was conducted for the first time and delivered critical insights to help OTMPC understand the emotional and rational drivers to selecting a travel destination. Results of both studies have been shared with industry and government colleagues, and we look forward to using the research to guide our own marketing efforts.

OTMPC also focused analysis on the current and projected growth in visitation and expenditures between 2010 and 2014. While traditional destinations such as the U.S. and the United Kingdom remain primary markets given their volume, visitation from China is projected to grow by 96 per cent and become Ontario's third most prolific source of inbound tourists, slightly ahead of Germany. OTMPC's marketing has been adjusted to reflect this analysis.

In April 2012, we also launched for the first time a mobile app focused on Ontario's festivals and events. The Discover Ontario mobile app quickly became popular with consumers, achieving high ratings in the iTunes App Store, and received a prestigious 2012 Best in Class from the Interactive Media Awards.

Building on the momentum created by "La Plus Grande Expo" campaign initiated in 2011, we launched year two of the award-winning campaign in the spring of 2012 to inspire family and couples getaways by encouraging Quebecers to share travel photos and stories with their fellow Quebecers. I am pleased to report that we were successful in quadrupling the return-on-investment over the last two years compared to previous campaigns in Quebec and achieved a Prix Media award.

We also worked with our tourism partners to launch the first newcomers to Ontario campaign to encourage recent immigrants to discover their own province with visiting family and friends. As part of the campaign, we participated at several multicultural festivals and events in the Greater Toronto Area to offer attendees travel advice and access to special travel offers and packages. This innovative experiential campaign achieved first place honours at the 2013 Annual Marketing Magazine Awards.



To commemorate the War of 1812 Bicentennial, OTMPC conducted a variety of media outreach and promotional opportunities in the summer of 2012 to encourage visitors to immerse themselves in Ontario's heritage and culture. In mid-June, we were especially pleased to join forces with Canada AM for a live broadcast at Niagara-on-the-Lake's Fort George to kick off the celebrations.

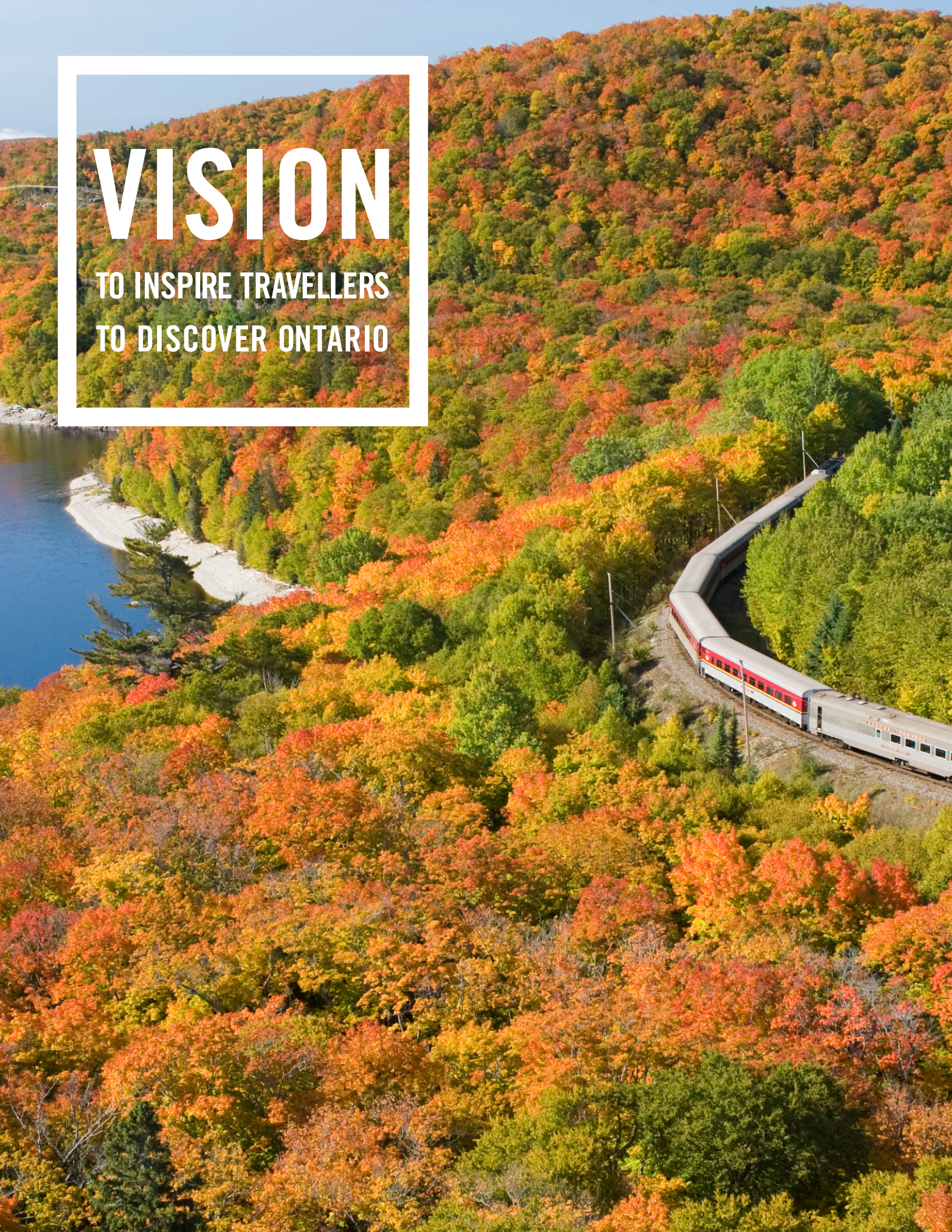
OTMPC's 11 travel information centres continue to provide enhanced tourist welcome services in key regions. We are especially pleased that we were able to secure approval this year to relocate the Ontario Travel Information Centre (OTIC) in Toronto to the renovated Union Station in time for the Pan Am/Para Pan Am Games. With 40 million people travelling through the station annually, the opportunity for us to provide travel information to visitors is unparalleled.

One of OTMPC's strengths has always been our staff. As part of our ongoing commitment to foster an environment for staff success, we conducted a self-assessment of OTMPC's organizational culture, working with Dr. Peter Dietsche using a framework based on the book *Diagnosing and Changing Organizational Culture*. Overall, results showed that OTMPC staff prefers a culture that emphasizes creativity and innovation, and we are developing an action plan to implement programs and processes that will support this culture in the coming years.

A handwritten signature in dark ink, appearing to read "Ronald Holgerson".

Ronald Holgerson
President & CEO

Ontario Tourism Marketing Partnership Corporation

An aerial photograph of a train traveling through a dense forest during autumn. The trees are in various stages of color change, showing shades of green, yellow, orange, and red. The train, consisting of several silver and red passenger cars, is curving through the forest. To the left of the train, a body of water is visible, with a sandy beach area. The overall scene is vibrant and scenic, capturing the beauty of the fall season in Ontario.

VISION

TO INSPIRE TRAVELLERS
TO DISCOVER ONTARIO



■ CORPORATE OVERVIEW

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, OTMPC plays a key role in strengthening Ontario's tourism economy and establishing Ontario as a premier, year-round destination.

MANDATE

OTMPC is governed by Ontario Regulation 618/98 made under the *Development Corporations Act*. Its mandate, as provided for in the regulation, is:

- (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 cooperation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

The following principles support the mandate:

- (a) OTMPC is to lead the marketing of Ontario as a travel destination nationally and internationally;
- (b) OTMPC and regional organizations are to work together to market travel within Ontario;
- (c) OTMPC is to deliver marketing services that contribute to regional and economic development;
- (d) OTMPC is to become a centre of excellence supporting provincial marketing; and
- (e) OTMPC is to engage in partnerships to support the above objectives.

■ CORE FUNCTIONS SUPPORTING THE MANDATE

INDUSTRY RELATIONS

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

Partnerships and Regional Relations

OTMPC offers its partners the opportunity to market their products under the Ontario tourism brand and to enter important or new markets that might be challenging to access on their own. Sales efforts assist industry partners to reach visitor markets with strong, compelling messages linked to a multi-million dollar annual program.

TEMPP and IPPP

OTMPC provides support for co-operative marketing ventures with the tourism industry that promote Ontario as a premier destination. Through the Industry Partnership Proposal Program (IPPP), OTMPC works with tourism marketing groups to assess their partnership ideas and to provide assistance to help make them happen. Through the Tourism Event Marketing Partnership Program (TEMPP), OTMPC assists in the marketing of select events and festivals around the province.

Northern Partnerships

A specific program is designed to foster visitation to Northern Ontario, focusing on marketing the province's angling, hunting, motor touring and world class outdoor experiences.

Ontario Travel Information Centres

Travel centres provide Ontario's official welcome. Operated and staffed by trained counsellors, OTMPC's 11 centres provide visitors with essential, practical, on-the-spot information and advice on where to go and what to see and do in Ontario. Two of OTMPC's OTICs are located in ONroute service centres along Highway 401 in Bainsville and Tilbury. Other ONroute centres feature self-service provincial information stations and free Wi-Fi.

MARKETING

OTMPC's consumer marketing team uses a targeted multi-media approach to connect with provincial, national and international consumers.

International Marketing and 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 and travel agents. The Ontario brand is promoted through joint marketing campaigns, trade conventions, marketplaces and select events in Canada, U.S., U.K., Germany, China and other overseas markets.

Brand Management and Canadian Marketing

OTMPC builds awareness through multiple channels within Ontario and other provinces to position Ontario as a preferred vacation destination of choice.

Digital Marketing

Digital marketing encourages local and international consumers to consider travel to Ontario while connecting them to industry partners to book their travel. TCIS maintains consumer and corporate websites that promote experiences and travel packages, provide information to potential visitors, and offer tools and information to the tourism industry. The system also includes a consumer database, a literature delivery service, a bulk distribution centre and a 1-800-Ontario contact centre.

Media Relations

OTMPC develops and maintains close working relationships with members of the media in Ontario and priority Canadian, U.S., U.K., Germany, China and other overseas markets, with special emphasis on customized media tours, as well as media marketplaces and events.

Market Research

OTMPC conducts tourism research that provides market intelligence and consumer behaviour analysis to enable tourism operators to market their products more effectively.

■ CORPORATE GOVERNANCE

Special Projects

OTMPC works with government and industry partners to leverage major international events, such as the upcoming 2014 World Pride and 2015 Pan Am/Para Pan Am Games, that offer an opportunity to promote Ontario as a tourism destination to audiences around the world.

PRESIDENT'S OFFICE

The President's Office provides executive support and assistance to the President and Chief Executive Officer in the operational planning, management and implementation of policies, programs and the Agency's initiatives and priorities. Along with corporate communications, staff manages business operations for the President and CEO, Board of Directors and committees, and ongoing liaison with the Ministry of Tourism, Culture and Sport.

Corporate Communications

Corporate communications staff works closely with marketing, sales and media relations staff to develop and implement targeted, strategic communications and public relations programs that proactively enhance OTMPC's profile with external and internal audiences and promote tourism's contribution to economic prosperity.

CORPORATE SERVICES

The corporate services team oversees financial management, business planning, procurement, human resources, and facility and records management for OTMPC. This program area is also responsible for business continuity planning in the event of an emergency.

In 2011-12, on the recommendations coming from its program review, OTMPC restructured its board committees and advisory committees. This structure was fully implemented in 2012-13.

OTMPC is governed by a Board of Directors comprised of business leaders who are appointed by the Lieutenant Governor in Council, based on recommendations from the Minister of Tourism, Culture and Sport. The Minister receives advice on Board membership through OTMPC's Governance and Nominations Committee and other interested parties.

The Directors sit on various committees of the Board, including the Executive Committee with a Human Resources Sub-Committee, the Finance, Audit and Risk Committee, and the Governance and Nominations Committee:

Executive Committee: Chaired by Antoni Cimolino, the committee sets priorities and recommends objectives and strategies to the Board.

Finance, Audit and Risk Committee: Chaired by Peter Fullerton, the committee reviews financial performance and ensures that effective operating controls are in place.

Governance and Nominations Committee: Chaired by Jack Robinson, the committee undertakes assessment of directors' skills, succession planning and recruitment for Board and advisory committees.





■ BOARD OF DIRECTORS, 2012-2013

(terms listed below as per year-end 2012-2013)

Mr. Antoni Cimolino, Chair

Artistic Director, Stratford Shakespeare Festival
Stratford
December 5, 2011-April 12, 2014

Mr. Patrice S. Basille

Executive Vice President & General Manager, Brookstreet Hotel Corporation
Ottawa
August 15, 2012-August 14, 2015

Mr. William Knowlton

Vice President, Jonview Canada
Toronto
October 25, 2012-October 24, 2015

Ms. Leslie Krueger

Vice President, Denneboon Inc.
Mississauga
August 29, 2012-August 28, 2015

Mr. David Kuo

Vice President, Toronto Metro, HSBC Bank Canada
Toronto
October 20, 2010-October 19, 2013

Mr. Allan Luby

President, Captain, Lake Navigation (Kenora) Ltd.
Kenora
June 26, 2011-June 10, 2013

Mr. David MacLachlan

Owner, North to Adventure
Sault Ste. Marie
February 1, 2013-January 31, 2016

Mr. Jim Marchbank

Former Chief Executive Officer, Science North
Sudbury
August 29, 2012-August 28, 2015

Mr. Peter C. Fullerton

Partner, Grant Thornton LLP
North York
March 23, 2011-March 22, 2014

Mr. Chisanga Puta-Chekwe

Deputy Minister, Ministry of Citizenship and Immigration
Toronto
March 2, 2011-March 1, 2014

Mr. Brian Richardson

Vice President, Brand Marketing & Communications, Fairmont Hotels & Resorts
Toronto
June 11, 2011-June 10, 2013

Mr. Jack Robinson

Chief Executive Officer, CN Tower
Toronto
July 18, 2012-July 17, 2014

Mr. Sabir Sami

President, Yum! Restaurants Canada Inc.
Vaughan
February 9, 2011-February 8, 2014

Mr. Leslie Smith

Executive Director, Smart Serve Ontario
Toronto
January 9, 2013-January 8, 2014

Mr. Gregory Treffry

Vice-President, Partner Development, Shaw Media Inc.
Toronto
February 9, 2011-February 8, 2014

Ms. Michelle Young

Manager, Air Canada
Toronto
January 9, 2013-January 8, 2014

■ ADVISORY COMMITTEES

The Board relies on input from industry committees reporting through committee chairs:

The **Regional Tourism Organization Advisory**

Committee supports the coordination, collaboration and alignment of RTO and OTMPC marketing programs and brand.

Karen Squires, Chair
RTO 10, Vice-President of Marketing
Ottawa Tourism

Ian Wood, Vice-Chair
RTO 13A, Director of Economic Development
City of Greater Sudbury

Jim Hudson
RTO 1, Executive Director
Southwest Ontario Tourism Corp.

Tina Truszyk
RTO 2, Director of Marketing
Tourism Partnership of Niagara

Maria Fortunato
RTO 3, Executive Director
Hamilton Halton Brant RTO

David Peacock
RTO 4, Executive Director
Regional Tourism Organization 4 Inc.

Joel Peters
RTO 5, Chief Marketing Officer & Senior Vice-President
Tourism Toronto

Chuck Thibeault
RTO 6, Executive Director
RTO 6 – Central Counties

Bill Sullivan
RTO 7, Director of Marketing
Regional Tourism Organization 7

Karen Theriault
RTO 8, Executive Director
Regional Tourism Organization 8

Krista Doyle
RTO 9, Marketing & Communications Coordinator
Region 9 Regional Tourism Organization

Emily Sheff
RTO 11, Marketing & Communication Coordinator
Ontario's Highlands Tourism Organization

James Murphy
RTO 12, General Manager
Explorer's Edge

Ian McMillan
RTO 13B, Executive Director, Tourism Sault Ste. Marie
Sault Ste. Marie Economic Development Corporation

Paul Pepe
RTO 13C, Manager
Tourism Thunder Bay

Patrice Basille
Board Director Representative
Executive Vice President & General Manager Brookstreet Hotel Corporation

The **Sector Advisory Committee** focuses on tourism industry collaboration and promotion of experiences to all markets.

Brenda Branch, Chair
Marketing & Promotions Officer
Hamilton Civic Museums
Cultural Initiatives, Tourism and Culture Division
Planning and Economic Development Department, City of Hamilton

Gary Masters, Vice-Chair
Executive Director
Festivals and Events Ontario

Michele Bosc
Director of Marketing
Chateau des Charmes Wines

Philippe Kopcsan
General Manager Canada
Latin-America Vice-President Development and Management Control
Le Cordon Bleu

Rick Naylor
President
Accucom Corporate Communications Inc.

Anita Gaffney
Administrative Director
Stratford Shakespeare Festival

Bryan Mercer
Director, Marketing
St. Lawrence Parks Commission

Betty McGie
CEO
Watson's Algoma Vacations & Watson's Skyways Ltd.

Jill Quast
Owner-Operator
Happy Days Houseboats

Lisa Tompkins
Director Marketing and Communications
CN Tower

Scott Davidson
National Historic Site and Visitor Experience Manager
Bethune Memorial House, Parks Canada

Rebecca LeHeup
Executive Director
Ontario Culinary Tourism Alliance

Grace Sammut
Executive Director
Resorts of Ontario

Louise Lacroix
Executive Director
Direction Ontario

Gordon Orr
CEO
Tourism Windsor Essex Pelee Island

Elaine Bald
Director of Business Development
Meridian Reservation Systems

Beth Potter
President & CEO
Tourism Industry Association of Ontario

Harry Patel
Director of Operations
Northampton Group Inc.

Ernst Flach
Executive Director, Global Marketing
Canadian Tourism Commission

James Marchbank
Board Director Representative
Former Chief Executive Officer, Science North

The **Marketing Metrics Committee** ensures appropriate performance measures for both the OTMPC and the tourism industry are in place and reported.

Dr. Marion Joppe, Chair
Research Chair, Tourism
School of Hospitality and Tourism Management
University of Guelph

Dr. Alan Middleton
Executive Director, Schulich Executive Education Centre
Assistant Professor of Marketing
Schulich School of Business
York University

Paul Nursey
Vice President of Strategy and Corporate Communications
Canadian Tourism Commission

Joan Brehl
Vice President/General Manager
ABC Canada

Milos Vranesevic
Vice President/Business Leader
Merchant & Sponsorship Marketing
MasterCard Worldwide Canada

Andrew Weir
Vice President, Communications and Research
Tourism Toronto

Sean Shannon
V.P. and General Manager
Expedia Canada

Alex Athanassakos
Team Leader, Tourism Policy and Research
Ministry of Tourism, Culture and Sport

Allan Luby
Board Director Representative
President, Captain, Lake Navigation (Kenora) Ltd.

The **Northern Tourism Marketing Committee** develops and monitors marketing strategies, tactics and programs for key Northern Ontario markets.

David MacLachlan, Chair
Board Director Representative
Owner, North to Adventure

Kathy Ball
Funding & Sponsorship Coordinator, Waterfront Development
City of Thunder Bay

Jose Garcia
Owner
Southbay Gallery & Guesthouse

Sean Mackey
General Manager
Quality Inn, New Liskeard

Marg Watson
Owner
Sudbury Aviation

Carol Caputo
Executive Director
Algoma Kinniwabi Travel Association

Dave Cartmill
General Manager
Day's Inn, Sault Ste. Marie

Brad Greaves
Owner
Ignace Outpost

Andrew Ryeland
President
Bear Claw Tours

Adam Wilcox
Director, Business Development
Porter Airlines Inc.

Meredith Armstrong
Manager of Tourism and Culture
City of Greater Sudbury

Allan Luby
Board Director Representative
President, Captain, Lake Navigation (Kenora) Ltd.

Jim Marchbank
Board Director Representative
Former Chief Executive Officer, Science North





■ OTMPC STRATEGIC DIRECTIONS

LINKS TO MINISTRY PRIORITIES

OTMPC continued to work with the Ministry of Tourism, Culture and Sport to implement the Key Initiatives Agenda including coordinating consumer research for the regions and undertaking joint marketing activities:

Tourism and Cultural Agency Promotion

OTMPC continued to work with the Government of Ontario's tourism and cultural agencies and attractions to promote Ontario's cultural and tourism assets.

1812 Commemorative Celebration

OTMPC worked with the Ministry of Tourism, Culture and Sport to develop strategies to promote travel to communities of historical significance related to the War of 1812.

2012 Grey Cup

OTMPC worked with the Ministry's Investment Development Office (IDO) to develop and execute marketing strategies for special events related to the 100th Grey Cup celebration in Ontario.

World Pride 2014

OTMPC developed a marketing strategy in 2012 in partnership with Travel Gay Canada, Tourism Toronto and the CTC.

2015 Pan Am/Para Pan Am Games

OTMPC continued to work in collaboration with Toronto 2015 Games Organizing Committee, the CTC, IDO and several RTOs (Niagara, Hamilton Halton Brant, Greater Toronto Area, York, Durham and Hills of Headwaters, Bruce Grey Simcoe, Haliburton Highlands to the Ottawa Valley) on a tourism marketing strategy to leverage the 2015 Games.





In 2012-13, OTMPC launched its new balanced scorecard approach to strategic planning, incorporating four major strategic goals and measuring them through key performance indicators.

■ OTMPC STRATEGIC DIRECTIONS (CONTINUED)

1. DELIVERING MARKETING EXCELLENCE

OTMPC generates a strong Ontario brand identity, designed to grow tourism visitation and expenditure, build the provincial image, increase destination awareness and convince travellers to visit Ontario. OTMPC remains dedicated to providing quality marketing and persuasive promotional information that is both research-driven and innovative, generating a solid return on investment (ROI) by driving the travelling consumer to tourism partners to close the sale. OTMPC is committed to continuous improvement of its marketing endeavours, sharing resources and market research to target the right consumer with the right product. At the same time, OTMPC embraces a consumer focus, motivating travel to Ontario by promoting dynamic and diverse travel experiences. OTMPC encourages visitors to have fun, while providing quality access to information at every stage of travel preparation, purchase and experience. Key performance indicators focus on measuring destination awareness and ranking of Ontario by consumers, advertising ROI and conversion metrics demonstrating more potential visitors taking a trip to Ontario.

2. BUILDING ENHANCED PARTNERSHIPS

OTMPC nurtures effective alliances, leverages resources through private and public sector partnerships, and optimizes investments in marketing locally and globally to support growth of tourism visitation and spend. OTMPC creates mutually beneficial opportunities for regional and province-wide expansion, investing in partnerships that will encourage greater inter-regional and international travel. Key performance indicators focus on results, measuring partner advertising sales, program partnerships, leveraged revenues, and both utilization and sales achieved by the travel centres.

3. SUSTAINING ORGANIZATIONAL EFFECTIVENESS

OTMPC cultivates a culture of teamwork and invests in its staff to attract, develop and retain the best while fostering an environment for success. OTMPC continues to implement its staff learning plan, and works to achieve Excellence Canada level 2 designation.

4. CONTRIBUTING TO ECONOMIC IMPACT

OTMPC plays a leadership role in encouraging Ontarians to discover their province, and American and other international visitors to experience the quality tourism assets Ontario offers. Key performance indicators focus on measuring visitation and visitor spend trends over time.

1. DELIVERING MARKETING EXCELLENCE

Consumer Insight Research

Given the establishment of Ontario's tourism regions in 2010-11, research information was needed on a regional level in order to develop consumer insights that align marketing efforts across regions and province-wide. A Consumer Insight Research project was completed in 2012-13. The study provides OTMPC and the RTOs with in-depth information on travel behaviour in Ontario, identifies best target consumer segments on a regional level and provides detailed traveller profiles for each of the segments.

International Consumer Perceptions Research

OTMPC conducted global consumer research in 11 countries to identify emotional and rational travel drivers for the development of the Ontario International Tourism Brand that will resonate strongly with out-of-province and international travellers. The research guides the development of inspiring and unifying brand positioning strategy that reinforces the province's position as a world-class tourism destination.

Discover Ontario Mobile App

For the first time, OTMPC launched a mobile app to help on-the-ground travellers in Ontario locate nearby festivals and events, as well as attractions, dining and lodging options, and travel information centres. The app also provides turn-by-turn directions and links to social media. In its first year, the app achieved over 27,000 downloads.

Campaigns - Summer and Fall

In the summer of 2012, OTMPC launched the 'My Ontario' campaign with four weeks of television advertising (English and French) airing in mid-May. In addition, more than 450,000 copies (English and French) of the *ONTARIO* summer magazine were distributed in a number of local community papers and major Ontario dailies. The tablet edition of the magazine was also available online at ontariotravel.net and through iTunes. In partnership with the RTOs and agency attractions of the Ministry of Tourism, Culture and Sport, OTMPC ran 14 full-page, four-colour ads in *The Globe and Mail* from mid-April to December.

To reach newcomers to Ontario, OTMPC launched a program to encourage recent immigrants to discover more of their home province. From mid-May to August, OTMPC participated in eight multicultural events in the Greater Toronto Area (i.e., Taste of Asia, Canada Day at Queen's Park, Night It Up!, Mosaic South Asian Heritage, Toronto International Dragon Boat Race Festival, Chinese Professionals Association of Canada Summer Festival, Canada Day Celebrations in Brampton and T&T Waterfront Night Market). OTMPC also coordinated media relations activities with multicultural newspapers. By the end of the summer, the campaign generated more than 320,000 impressions and over 60,000 interactions, and almost 130,000 promotional brochures were distributed.

In June, approximately 1.5 million Fun Passes (print and digital versions, English and French) promoting Ontario government agency attractions throughout the summer were distributed to elementary school-aged students in Ontario with their report cards.

In Quebec, OTMPC continued with year two of 'La Plus Grande Expo', which was launched in 2011. The campaign continued to transform the Greater Montreal region into a larger-than-life Ontario photo exhibition in order to inspire Quebec residents to see a different side of Ontario, through the eyes of fellow Quebecers. Via television and online promotions, Ontario invited Quebec residents to share their favourite memories by submitting their favourite pictures taken in Ontario. In 2012, more than 1,500 submissions were received and 40 pictures were selected from 37 winners to appear on billboards starting in May 2012 for a period of six weeks.

Winter

To help Ontarians locate 'Where's Winter', OTMPC partnered with *The Weather Network* for the second year on an innovative promotion. Airing until March 2012, the program used a weather map and snow reports to show new and avid winter enthusiasts where to find snow across the province. This year's partnership introduced Comfort Tips, which provide tips on how to dress for an enjoyable winter experience. The partnership was a collaboration between the Ontario Federation of Snowmobile Clubs (OFSC), Ontario Ski Resorts Association (OSRA), OTMPC and several RTOs.

The winter tablet edition of the *ONTARIO* magazine included inspiring stories to explore Ontario's arts, culture and heritage landscape, make time for family adventures and take a winter getaway.

New in 2012, OTMPC introduced a Facebook app to help visitors find their perfect winter getaway. From a spa retreat to a heart-racing dog sled adventure, the app offered winter packages with a direct booking link to tourism operators. Social media posts, such as the great snowman challenge, generated engagement, while the Discover Ontario mobile app pinpointed festivals and events happening throughout the season.

Marketing Campaign Results

PROGRAM	OBJECTIVE	PERFORMANCE MEASURE	SEASON	2011-12 RESULTS				2012-13 TARGET				2012-13 RESULTS			
Build a strong brand that showcases Ontario's diverse experiences	To increase Ontario's brand awareness (domestic & U.S.) in order to stimulate travel to Ontario	Awareness of Ontario for short getaways	Summer (S)	<u>ON</u> 60%	<u>MTL</u> 31%	<u>U.S. Near</u> 15%		<u>ON</u> 65%	<u>MTL</u> 38%	<u>U.S. Near</u> 16%		<u>ON</u> 58%	<u>MTL</u> 33%	<u>U.S. Near</u> 16%	
		To strengthen Ontario's distinct brand image versus the competition	Summer	<u>ON</u> 8.3	<u>MTL</u> 7.6	<u>U.S. Near</u> 7.9	<u>U.S. Mid</u> 6.4	<u>ON</u> 8.4	<u>MTL</u> 7.5	<u>U.S. Near</u> 7.7	<u>U.S. Mid*</u> 7.0	<u>ON</u> 8.4	<u>MTL</u> 7.5	<u>U.S. Near</u> 7.8	<u>U.S. Mid*</u> 7.4
			Summer	8.6	7.9	7.5	7.3	8.6	7.9	7.5	7.1	8.4	8.0	7.6	7.3
			Summer	8.6	7.7	8.1	7.6	8.5	7.9	8.1	7.8	8.5	7.7	8.1	7.8
			Summer	7.9	7.0	7.5	7.8	7.8	7.1	7.7	7.6	7.9	6.9	7.8	7.9
Core Program	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 for Ontario	Summer Winter	<u>ON</u> \$15.50:1 \$76.50:1				<u>ON</u> \$5.50:1 \$5.50:1				<u>ON</u> \$14.40 Results available for Summer only; did not run research for Fall-Winter as no substantive campaign ran in that period.			
Media/ Public Relations (PR)	To develop effective media promotions strategies that showcase Ontario's unique experiences	Advertising value (value of unpaid article or media coverage if OTMPC was to purchase coverage in key markets) in all priority markets		\$64.9M				\$50.2M				\$128.36M			

Respondents to the Advertising Tracking Study were asked the extent to which any OTMPC advertising they have seen or heard within the past few months influenced their decision to take any pleasure trips within Ontario during the respective travel season. Calculation of the ROI is based on those who definitely recall at least one (any) summer ad and state that Ontario advertising significantly influenced their decision to travel within Ontario. *Based on New York City.



■ OTMPC STRATEGIC DIRECTIONS (CONTINUED)

1. DELIVERING MARKETING EXCELLENCE (continued)

TOURISM CONSUMER INFORMATION SYSTEM

Consumers around the world are increasingly using digital channels (i.e., websites, search engines, e-mail, social networks and mobile) to help them make travel purchase decisions. As a result, OTMPC has designated the implementation of its digital strategy and the modernization of TCIS priorities. Launched in 2002, the current system consists of: websites in multi-languages; a contact centre (responds to 150,000 inquiries each year); a distribution service (providing 130,000 brochures, magazines and maps); and a database that allows OTMPC to stay in touch with 260,000 consumers and almost 16,000 industry operators.

Upgrades to TCIS will provide a one-stop digital information hub that offers consumers tools such as trip planning, interactive maps, photo/video galleries, user reviews, mobile-friendly tools, access to social/ collaborative tools and more. An Executive Oversight Committee and Project Management Committee were established to provide project governance for the redevelopment.

ONTARIO TRAVEL INFORMATION CENTRES

OTMPC operates a network of 11 travel information centres in high traffic locations across Ontario. In 2012-13, OTMPC continued to pursue new opportunities to increase its consumer reach. For example, OTMPC received approval to relocate its travel centre in downtown Toronto at the Atrium on Bay to the redeveloped Union Station. Currently, Union Station services 40 million travellers annually. The volume of travellers is expected to grow with the opening of the new rail link between Union Station and Pearson International Airport – (UP Express). In addition, OTMPC continues to work in partnership with the Ministry of Transportation (MTO) to implement travel information services as part of the revitalization of the Ministry's 23 400-series highway ONroute service centres.

Given that visitation to the OTICs has dropped dramatically in some locations, OTMPC closed one year-round centre in northern Ontario (Fort Frances), two seasonal centres in northern Ontario (Kenora and Rainy River), two year-round centres in southern Ontario (Cornwall and Fort Erie) and two seasonal centres in southern Ontario (Hill Island and Prescott) in April 2012.

Ontario Travel Information Centres Results

PROGRAM	OBJECTIVE	PERFORMANCE MEASURE	2011-12 RESULTS	2012-13 TARGET	2012-13 RESULTS
Ontario Travel Information Centres	To increase visitation to the OTICs	Number of visitors to the Ontario Travel Information Centres	928K	830K*	825K
	To increase the number of direct interactions between consumers and travel counsellors	Number of consumer inquiries serviced	364K	325K*	336K
Consumer Website	To provide information and generate interest in travel to Ontario	Web visits	3.8M	Benchmark year: OTMPC adopted new performance methodology	2.55M

*Forecast for 2012-13 anticipates lower visitation due to OTIC closures

1. DELIVERING MARKETING EXCELLENCE (continued)

INTERNATIONAL MARKETS

In 2012-13, OTMPC partnered with the CTC on a number of promotional activities in all its international markets including consumer advertising campaigns, trade shows, trade and media familiarization (“fam”) trips, and travel trade co-operative marketing.

OTMPC also launched a series of awareness-building web videos and brochures in nine markets based on consumer insights from focus groups conducted the previous year. Videos were posted on targeted travel portals and special interest sites, as well as on Ontario’s international sites, Facebook and Weibo pages in China. Brochures were customized by market and travel interest, and feature sample regional itineraries and information specific to outdoor adventure, wine and culinary, city breaks and culture. In its first year, more than 8.7 million consumers viewed the entire length of the videos at a cost of five cents per view. Of that total, more than 580,000 consumers subsequently visited the Ontario website.

Through its travel trade outreach activities, OTMPC trained more than 4,700 overseas travel agents and hosted 168 travel agents and tour operators. Ontario suppliers with market ready product partnered on OTMPC-led sales missions to the U.K. and China. As a result of hosting more than 300 international media on 70 fam trips, OTMPC generated a total of \$97 million in advertising value equivalency.

United States

In 2012, OTMPC’s marketing strategy in the U.S. included a multimedia approach in near and mid-U.S. markets aimed at core target segments to create interest in Ontario travel experiences. The U.S. near market plan focused on radio in Rochester and Buffalo and digital in Buffalo, Rochester, Greater Detroit Area and Cleveland to offset decline in the drive markets. In the mid-market, the majority of marketing efforts were in New York City. OTMPC continued to include Boston in media relations activities to maintain presence and partnered with *Conde Nast* in a multimedia partnership.

The outdoors program through a partnership with Thunder Bay, Sault Ste. Marie, Sudbury and Porter Airlines created a campaign that encouraged fall travel from Chicago with a dynamic multi-media campaign focusing on ease of travel to Northern Ontario. Tactics included ads in the *Chicago Tribune* and *WGN 720*, contesting and a call-to-action to ontariotravel.net.

China

OTMPC partnered with the CTC and Canadian provinces on a “You Can Be a Star” contest with five winning couples becoming “stars” on the *China Travel Channel* and in *National Geographic* as their trips to Ontario were documented. Winners participated in iconic tourism experiences, such as: watching the Changing of the Guard ceremony in Ottawa; taking a voyageur canoe ride to Aboriginal experiences on Turtle Island; visiting Wheelers’ Maple Syrup Camp and Museum; firing cannons at Fort Henry; wolf howling at Algonquin Provincial Park; wine tasting at Niagara Falls; and enjoying a gourmet barbeque on Toronto Island. The *China Travel Channel* aired four half-hour episodes dedicated to Ontario from July 2012 to January 2013, with multiple rebroadcasts, for an advertising value equivalency of \$23 million. The *National Geographic* published six to 10 pages on each trip in its August to February issues. Media partnerships were secured with Youku, Sina Weibo and other social media sites. Blogs were also posted by the winning couples, CTC, *China Travel Channel*, *National Geographic* and individual provinces with an estimated reach of over 100 million.

Germany

In Germany, Ontario reached new customers through an innovative partnership with local tour operators and private sector companies. A contest partnership with Deuter, a leading manufacturer of outdoor equipment in Germany, enticed female outdoor enthusiasts to enter for a chance to go backpacking at Ontario destinations including Blue Mountain, Georgian Bay, Killarney Park and Algonquin Park. The contest was promoted in 16 Globetrotter Stores in seven cities and via *4 Seasons*, the largest outdoor magazine in Germany. Promotions also ran in social media channels, online, at sports and biking shows, via a Deuter newsletter to 500,000 subscribers and to 100 of their key media contacts. This generated 5,500 entries and 4,000 opt-ins for future Ontario promotions. In addition, *Brigitte* magazine travelled with the prize winners and generated a six-page article with an ad equivalency value of \$100,000 and a readership of 3.6 million. While Explorer Fernreisen, a popular German tour operator, introduced a new fly-and-drive itinerary featuring the Ontario destinations from the prize trip. In its first year, the new itinerary has already become a popular choice and has seen many bookings.

2010 Actual and 2014 Forecast Visitor Expenditures by Market

Market	2010 (Millions)	2014F (Millions)	2010 vs. 2014 (Millions)	Difference
Canada				
Ontario	\$9,808	\$11,785	\$1,977	20%
Other Canada	\$1,677	\$1,804	\$127	8%
United States				
U.S. Border	\$1,626	\$1,912	\$286	18%
Other U.S.	\$1,438	\$1,745	\$307	21%
Overseas				
UK	\$391	\$456	\$65	17%
China	\$195	\$382	\$187	96%
Germany	\$170	\$216	\$46	27%
Japan	\$163	\$195	\$32	20%
Brazil	\$118	\$128	\$10	8%
France	\$117	\$145	\$28	24%
India	\$75	\$105	\$30	40%
South Korea	\$73	\$80	\$8	11%
Mexico	\$66	\$100	\$34	52%
Other Overseas	\$1,179	\$1,657	\$479	41%
TOTAL	\$17,095	\$20,711	\$3616	21%
Expenditures include Canadian fares; U.S. border states: New York, Michigan, Pennsylvania, Ohio, Illinois, Wisconsin, and Minnesota; Source: Statistics Canada; Travel Survey of Residents of Canada and the International Travel Survey 2010, and Ontario Ministry of Tourism and Culture; Ontario Tourism Outlook Fall 2012				



■ OTMPC STRATEGIC DIRECTIONS (CONTINUED)

2. BUILDING ENHANCED PARTNERSHIPS

Throughout the year, OTMPC supported various industry partner initiatives that aligned with its marketing priorities in key markets around the world.

In Ontario, OTMPC supported 116 festivals and events through TEMPP to help them promote and encourage more visitors to travel around the province and stay overnight. OTMPC also partnered with Festivals and Events Ontario to produce more than 250,000 copies of the 2012-13 *Festivals and Events in Ontario* guide and with Attractions Ontario to produce and distribute more than 900,000 copies of the 2012 *Attractions Ontario Passport* magazine and coupon book.

Through IPPP, OTMPC supported 10 industry marketing campaigns in key North American markets to entice consumers to visit Ontario destinations such as 1000 Islands, Goderich, Fort Erie, Niagara Falls, St. Jacobs, Stratford, Barrie, Hamilton, London and Waterloo.

OTMPC continued to partner with a business consortium comprised of Air Canada, Tourism Toronto, Greater Toronto Airport Authority and the Tourism Partnership of Niagara to target U.S. consumers. This program generated over 16,000 airline tickets and over 32,000 room nights to Ontario.

Building Enhanced Partnerships Results

PROGRAM	OBJECTIVE	PERFORMANCE MEASURE	2011-12 RESULTS	2012-13 TARGET	2012-13 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 Leverage – the dollar amount that OTMPC's investment in a partner's program (private and public) triggers in additional investment	\$2.0M \$11.4M	\$2.0M \$12.0M	\$3.4 \$12.2M
	To increase revenues as a result of advertising sales	Direct sales revenues	\$1.4M	\$1.3M	\$1.3M
	To increase revenues generated through advertising sales, merchandising and currency exchange services	OTIC revenues	\$377K	\$840K	\$751K
Ontario Tourism Summit	Raise awareness of OTMPC and its activities to stakeholders to engage and align industry partnerships	Number of delegates attending Overall delegate satisfaction with conference	472 3.7/5	400+ 3.7/5	475 3.7/5

■ OTMPC STRATEGIC DIRECTIONS (CONTINUED)

3. SUSTAINING ORGANIZATIONAL EFFECTIVENESS

Improving organizational effectiveness is a key commitment for OTMPC. The organization's corporate priorities include building a strong, results-driven team to lead and support the organization's consumer marketing and partnership efforts in order to grow the number of visitors and enhance their experiences.

In 2012-13, OTMPC continued to implement, monitor and evaluate its performance expectations against targets in the balanced scorecard as approved by its Board of Directors in the previous year. Areas of focus were: improving organizational effectiveness; increasing partnerships; delivering investment-focused and high-quality marketing programs; and contributing to economic growth.

OTMPC achieved sound results in many areas. For example, more staff than anticipated participated in training and development opportunities; revenue generated from sales and partnerships were above target; though marketing awareness dropped slightly, campaign ROI remained strong; media relations performed above target; and trade and leisure targets were also exceeded.

In February 2013, OTMPC undertook a study of its organizational culture utilizing the Competing Values Framework due to its applicability and utility in public-sector organizations. Staff participation in an assessment survey was high at 81 per cent. Overall, results showed that OTMPC staff perceive their current culture to be internally focused and emphasizing stability and control. In contrast, the preferred organizational culture is one that emphasizes creativity and innovation. OTMPC will work to transition the organizational culture to the preferred culture over the next few years.

Sustaining Organizational Effectiveness Results

PROGRAM	OBJECTIVE	PERFORMANCE MEASURE	2011-12 RESULTS	2012-13 TARGET	2012-13 RESULTS
Organizational Effectiveness	To improve industry satisfaction with OTMPC programs and services	Industry satisfaction with OTMPC programs and services	6.5/10*	6.5/10	6.5/10
Employee Engagement Survey	To improve organizational effectiveness	Measure degree to which employees feel engaged	n/a	Ontario Public Service Staff Survey delayed until winter 2013-14	n/a

* Restated result to correspond with new base very or somewhat familiar

4. CONTRIBUTING TO ECONOMIC IMPACT

OTMPC plays a leadership role in encouraging Ontarians, Americans and other international visitors to experience Ontario's tourism assets. Key performance indicators focus on measuring visitation and visitor expenditure trends over time.

In 2012-13, the balanced scorecard approach to performance measurement was piloted. The balanced scorecard pilot will be evaluated and refined for 2013-14 and onward.

Annually, OTMPC conducts a stakeholder satisfaction survey to assess industry perceptions of various OTMPC activities. Results from this survey are evaluated and inform program area planning for the coming year.

OTMPC Balanced Scorecard 2012-13

Inputs

Sustaining
Organizational Effectiveness

Learning Plan

	Q1	Q2	Q3	Q4
Number Staff who took Training				
Goal	22	22	22	22
Actual	43	20	20	5

Quarterly Financials

	Q1	Q2	Q3	Q4
Variance to Forecast				
Goal	<2%	<2%	<2%	<2%
Actual	1%	4%*	2%	2%

*Under spending: Consumer Insight Research (committed but not invoiced); Lower OTIC inventory costs

Intermediary Objectives

Building
Enhanced Partnerships

(\$M)

	Q1	Q2	Q3	Q4
Sales and Partnerships (M)				
Goal	2.2	.43	.36	.36
Actual	2.0	1.36	.627	.729
Leveraged Cash				
Goal	2.0	8.0	.96	.96
Actual	2.2	8.5	1.3	1.0
Leveraged In-kind				
Goal	.84	3.1	1.3	1.7
Actual	.6	2.4	1.8	.7
OTIC Sales				
Goal	.21	.21	.21	.21
Actual	.3	.357	.071	.023

Intermediary Objectives

Delivering
Marketing Excellence

Campaign Results

Consumer	Summer	Winter		
Unaided Awareness (%)				
ON - Goal	63	60		
Actual	58	*		
QC - Goal	35			
Actual	33			
Near US - Goal	17			
Actual	16			
Campaign ROI (\$:\$1)				
ON - Goal	15.5:1			
Actual	14.4:1			
QC - Goal	16.5:1			
Actual	32.5:1			
Near US - Goal	5.0:1			
Actual	35.5:1			
	Q1	Q2	Q3	Q4
Lead Generation (click throughs to industry partners)				
Goal	280K	280K	280K	280K
Actual	421K	322K	138K	196K

Media Relations

Ad Equivalency Value (\$M)				
Goal	12.5	12.5	12.5	12.5
Actual**	33.4	18.11	60.43	16.5
Trade # Leisure Trade Trained				
Goal	710	710	710	710
Actual*	1485	1475	1564	640

* Did not run research as no substantive campaign over winter

**North America and Overseas

End Objective

Contributing
Economic Impact

Border Crossings (calendar year: 2012)

Border Crossings to Ontario 2012-13	Q1	Q2	Q3	Q4
US Overnight	7.3%	7.6%	2.2%	-0.7%
US Same Day	6.9%	4.5%	-3.5%	-8.6%
Overseas	14.0%	2.3%	1.1%	2.0%

% change from same period in previous calendar year;
Q1: Jan-Mar 2012 vs Jan-Mar 2011
Source: Statistics Canada

OTHER ANNUAL MEASURES

Employee Engagement

	2009-10	2011-12	2013-14
Goal	73%	73%	73%
Actual	73%	73%	*

NQI Certification

	2010-11	2011-13	2013-14
Goal	L1	**	L2
Actual	L1	**	**

*MTCS has moved survey to 2014/15

**Working toward L2 in 2013-14

OTHER ANNUAL MEASURES

Stakeholders' rating of OTMPC Performance

	2010-11	2011-12	2012-13
Goal	6.3/10	6.5/10	6.5/10
Actual	6.3/10	6.5/10	6.5/10

Based on organizations that are very, somewhat or not very familiar with OTMPC

*Conducted in Q4 of fiscal

OTHER ANNUAL MEASURES

Incremental Trips Generated within Ontario

	2010-11	2011-12	2012-13
(1,000s)	662	899	309*

*Results for only summer 2012

OTHER ANNUAL MEASURES

Visits

	2010*	2011**	2012**
Ontarians (M)	85.9	87.9	90.1
Int'l markets (M)	13.1	12.9	12.9
Avg. spend/trip			
Ontario (\$s)	114	119	120
Int'l markets*	428	457	483

*Statistics Canada: Travel Survey of Residents of Canada 2010, International Travel Survey 2010

**MTour Forecast September 2011

*Including Canadian Fares

■ Measure on track
 ■ Measure concerns
 ■ Measure not achievable/not achieved





■ FINANCIAL STATEMENTS

For the years ended March 31, 2013 and 2012

OTMPC expenditures were on target with budget for this fiscal year. OTMPC finished the year in a strong position with a one-time surplus due to carry-over of funds for research and information technology projects.

A Special Projects fund was created to set aside protected funds for the TCIS redevelopment project. At March 31, 2013, this fund totalled \$8.7 million. Work on this project is commencing in the summer of 2013.

MANAGEMENT REPORT

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 Public Sector Accounting Standards for Not-for-Profit Organizations. The statements include certain amounts 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 Directors, whose report follows.

Ronald Holgerson
President & CEO
June 3, 2013

Lidia Maleckyj
Treasurer
June 3, 2013

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ontario Tourism Marketing Partnership Corporation

We have audited the accompanying financial statements of Ontario Tourism Marketing Partnership Corporation, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, statements of changes in net assets, and statements of cash flows for the years ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of Ontario Tourism Marketing Partnership Corporation as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants
Mississauga, Ontario
June 3, 2013

STATEMENTS OF FINANCIAL POSITION

	March 31 2013 (\$ 000)	March 31 2012 (\$ 000)	April 1 2011 (\$ 000)
ASSETS			
Current			
Cash	2,069	10,039	6,205
Short-term investments	12,000	-	-
Accounts receivable	1,740	1,192	1,733
Due from the Province of Ontario	1,037	5,165	10,881
Inventory	-	41	106
Prepaid expenses	35	467	106
	<u>16,881</u>	<u>16,904</u>	<u>19,031</u>
Capital assets (Note 4)	<u>2,036</u>	<u>3,506</u>	<u>4,474</u>
	18,917	20,410	23,505
LIABILITIES AND NET ASSETS			
Current			
Accounts payable and accrued liabilities	5,206	4,844	6,817
Deferred revenue (Note 5)	1,030	3,190	9,785
	<u>6,236</u>	<u>8,034</u>	<u>16,602</u>
Obligation for employee future benefits (Note 12)	<u>1,810</u>	<u>1,783</u>	<u>1,708</u>
Deferred capital contributions (Note 6)	<u>552</u>	<u>689</u>	<u>560</u>
	<u>2,362</u>	<u>2,472</u>	<u>2,268</u>
	<u>8,598</u>	<u>10,506</u>	<u>18,870</u>
Net assets			
Unrestricted fund	135	317	721
Special projects fund (Note 2i)	8,700	6,770	-
Investment in capital assets	1,484	2,817	3,914
	<u>10,319</u>	<u>9,904</u>	<u>4,635</u>
	18,917	20,410	23,505

Approved on behalf of the Board:

STATEMENTS OF OPERATIONS

For the years ended March 31	2013 (\$ 000)	2012 (\$ 000)
Revenues		
Province of Ontario Grant (Note 7)	43,667	48,856
Advertising sales	3,235	2,694
Travel Information Centres - Sales and rentals	746	925
Interest income	144	149
Trade promotions	248	244
Amortization of deferred contribution	258	121
Marketing research and other revenue	242	85
	<u>48,540</u>	<u>53,074</u>
Expenses		
Advertising and marketing	24,579	29,634
Partnerships and sales	1,248	948
Travel Information Centres (Note 8)	5,970	6,716
Administration (Note 9)	7,010	7,229
Tourism consumer information services	3,084	3,586
Events marketing program	2,162	2,376
Research	2,444	908
Amortization of capital assets	1,591	1,364
Board and committee expenses (Note 10)	37	44
	<u>48,125</u>	<u>52,805</u>
Excess of revenues over expenses	415	269

STATEMENTS OF CHANGES IN NET ASSETS

	Unrestricted Fund (\$ 000)	Special Projects Fund (\$ 000)	Investment in Capital Asset (\$ 000)	2013 Total (\$ 000)
Net assets , beginning of the year	317	6,770	2,817	9,904
Excess (deficiency) of revenues over expenditures for the year	1,748	-	(1,333)	415
Reserve for TCIS redevelopment project	(1,930)	1,930	-	-
Purchase of capital assets, net	-	-	-	-
Net assets , end of year	135	8,700	1,484	10,319

	Unrestricted Fund (\$ 000)	Special Projects Fund (\$ 000)	Investment in Capital Asset (\$ 000)	2012 Total (\$ 000)
Net assets , beginning of the year	2,429	-	3,914	6,343
Prior period adjustment (Note 12)	(1,708)	-	-	(1,708)
Net assets , beginning of the year, as restated	721	-	3,914	4,635
Excess (deficiency) of revenues over expenditures for the year	1,512	-	(1,243)	269
Transfer from deferred revenue for TCIS redevelopment project	-	5,000	-	5,000
Reserve for TCIS redevelopment project	(1,770)	1,770	-	-
Purchase of capital assets, net	(146)	-	146	-
Net assets , end of year	317	6,770	2,817	9,904

STATEMENTS OF CASH FLOW

For the years ended March 31	2013 (\$ 000)	2012 (\$ 000)
OPERATING		
Excess of revenues over expenses	415	269
Add (less) non-cash items:		
Amortization of deferred capital contributions	(258)	(121)
Amortization of capital assets	1,591	1,364
Obligation for employee future benefits	27	75
	1,775	1,587
Change in non-cash working capital	2,255	2,393
	4,030	3,980
INVESTING		
Purchase of short-term investments	(12,000)	-
CAPITAL		
Capital asset additions	(121)	(396)
Deferred capital contributions	121	250
	-	(146)
Increase (decrease) in cash during the year	(7,970)	3,834
Cash , beginning of year	10,039	6,205
Cash , end of year	2,069	10,039

■ NOTES TO FINANCIAL STATEMENTS

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. However, related 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 Public Sector Accounting Standards for Not-for-Profit Organizations contained in the Canadian Institute of Chartered Accountants (CICA) handbook.

(b) Revenue Recognition

The corporation follows the deferral method of accounting for revenues.

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 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) Partner Support

The Corporation benefits from donated 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) Short-term Investments

Short-term investments consist of Guaranteed Investment Certificates with an initial maturity date of more than 3 months but a maturity date of less than 12 months at the statement of financial position date.

(e) Inventory

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

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

(f) Capital Assets

All capital assets are recorded at cost. 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.

Assets in progress represent assets under construction or development. These assets are not amortized until they are put in use.

(g) Deferred Capital Contributions

Deferred capital contributions represent amounts received from Ministry of Tourism and Culture and Sport to finance the acquisition of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization of the related assets.

(h) Investment in Capital Assets

Investment in capital assets represents funds provided for capital assets. The financing of investment in capital assets is transferred from operations on an annual basis.

(i) Special Projects Fund

The Board approved the creation of a Special Projects Fund to provide for longer term special projects. The Fund represents externally and internally restricted funds required to meet financial costs of long-term special projects approved by the Board. At this time \$5,000,000 (2012 - \$5,000,000) of externally restricted funds and \$3,700,000 (2012 - \$1,770,000) of internally restricted funds are being held for the Tourism Consumer Information Services redevelopment project. Work on this project is commencing in the summer of 2013 (Note 11a). Interest is being recorded in the Fund on the \$5,000,000 externally restricted funds in accordance with the funding agreement.

■ NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(j) Use of Estimates

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations 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.

k) 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.

Financial Instruments are recorded at cost when acquired or issued. In subsequent periods, investments traded in an active market are reported at fair value. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

The Corporation has short-term investments in the fair value category. This item is classified as Level 1 in the fair value hierarchy whereby the fair value is based on quoted prices in active markets for identical assets. There has been no movement from Level 1 to Level 2 or Level 3.

(l) Employee Future Benefits

The costs of any legislated severance under the *Public Service Act of Ontario* and unused vacation entitlements earned by employees are recognized when earned by eligible employees. These costs for the year amounted to \$27,000 (2012 - \$75,000) and are included in obligation for employee future benefits.

3. FIRST TIME ADOPTION OF CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective April 1, 2012, the Corporation adopted the requirements of the new accounting framework, Canadian Public Sector Accounting Standards for Not-for-Profit Organizations (PSAB for NPOs). These are the Corporation's first financial statements prepared in accordance with this framework and the transitional provisions of Section 2125, First-time Adoption by Government Organizations have been applied. Section 2125 requires retroactive application of the accounting standards with certain elective exemptions and mandatory exceptions. The accounting policies set out in Note 2 - Significant Accounting Policies have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in the preparation of an opening PSAB for NPOs statement of financial position at the date of transition of April 1, 2011.

The Corporation issued financial statements for the year ended March 31, 2012 using Canadian generally accepted accounting principles prescribed by the CICA Handbook- Accounting Part V – Pre-changeover Accounting Standards. The adoption of PSAB for NPOs resulted in no adjustments to the previously reported assets, liabilities, net assets, excess of revenue over expenses and cash flows of the organization.

4. CAPITAL ASSETS

	2013 (\$ 000)		2012 (\$ 000)	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture	395	321	395	247
Leasehold improvements	1,677	1,416	1,565	1,085
Tourism consumer information system	5,880	4,179	5,833	2,993
Assets in progress	-	-	38	-
	7,952	5,916	7,831	4,325
Cost less accumulated amortization		2,036		3,506

5. DEFERRED REVENUE

	2013 (\$ 000)	2012 (\$ 000)
Ministry of Tourism, Culture and Sport		
Research – RTO projects	-	1,000
OTICS – Capital projects	259	50
Convention development fund	739	1,926
Research – RTO project	-	150
Advertising programs	32	64
	1,030	3,190

6. DEFERRED CAPITAL CONTRIBUTIONS

	2013 (\$ 000)		2012 (\$ 000)	
	Contributions	Accumulated Amortization	Contributions	Accumulated Amortization
Deferred capital contributions represent contributions received relating to acquisition of capital assets:				
Contributions received	931	379	810	121
Contributions less accumulated amortization		552		689

7. REVENUE: PROVINCE OF ONTARIO

	2013 (\$ 000)	2012 (\$ 000)
The Corporation received funding from the Province as follows:		
Core funding	41,510	42,763
Research Project	1,000	-
Media Buys	1,037	5,165
Great Outdoors Project	-	248
Events Marketing	-	160
International Indian Festival Awards	-	15
TCIS Solutions Architect and Grants Review	-	40
National Geographic Marketing re RTOS	-	190
Summer Experience Program	120	275
	43,667	48,856

8. TRAVEL INFORMATION CENTRES

	2013 (\$ 000)	2012 (\$ 000)
The Corporation received funding from the Province as follows:		
Salaries and benefits	3,187	3,532
Accommodation	1,796	1,979
Services	297	348
Transportation and communications	83	198
Supplies and equipment	135	112
Merchandise for sale	472	547
	5,970	6,716

Included in salaries and benefits are contributions to the PSPF and OPSEU pension funds for the year of \$181,000 (2012 - \$184,000).

■ NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. ADMINISTRATIVE EXPENSES

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

	2013 (\$ 000)	2012 (\$ 000)
Salaries and benefits	6,016	5,825
Services	823	1,218
Transportation and communications	142	150
Supplies and equipment	29	36
	<u>7,010</u>	<u>7,229</u>

The Corporation provides pension benefits for all its full-time employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multi-employer defined benefit pension plans established by the Province. These plans are accounted for as defined contribution plans, as the Corporation has insufficient information to apply defined benefit plan accounting to these pension plans. Included in salaries and benefits are contributions to the PSPF and OPSEU pension funds for the year of \$396,000 (2012 – \$381,000).

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

10. BOARD AND COMMITTEE EXPENSES

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

11. COMMITMENTS

- a) After a competitive procurement process, Hewlett Packard has been awarded a contract as the service provider for hosting, operations, maintenance and redevelopment of the Tourism Consumer Information System valued at \$30,900,000 over the next five years (Note 2(i)).
- b) The corporation has various operating leases for its premises and advertising. The minimum annual payments for the next five years and thereafter are as follows:

	(\$ 000)
2014	898
2015	779
2016	563
2017	555
2018	555
Thereafter	93

12. PRIOR PERIOD ADJUSTMENT

In prior years, the Corporation did not record the liabilities pertaining to the legislative severance of its obligation for employee future benefits because these liabilities had been determined and recognized by the Province in its financial statements. While the Province continues to accrue for these costs each year, management has decided that it is appropriate to recognize the liability in these financial statements. This adjustment was implemented in the current year and has been applied retroactively. The effect of this change is as follows:

2011	(\$000)
Increase in obligation for employee future benefits	\$ 1,708
Decrease in unrestricted surplus	1,708
2012	
Increase in obligation for employee future benefits	\$ 1,783
Decrease in unrestricted surplus	1,783
Decrease in excess of revenues over expenses	75

13. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform to the current year's method of presentation.