

annual report

For the year ended December 31, 2000



2000

Ontario place



An agency of the Ontario Ministry of Tourism

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Ontario Place Corporation
955 Lakeshore Boulevard West
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An Agency of the Ontario Ministry of Tourism
The Honourable Cam Jackson, Minister
Donald A. Obonsawin, Deputy Minister
Printed by the Order of the Legislative Assembly of Ontario



our vision

Ontario Place cares about its people and its customers. Ontario Place is a financially self-sustaining, year-round attraction which captures the spirit of Ontario, featuring distinctive, quality attractions for all ages.

OPC Board of Directors

our goal

- To create North America's premier waterfront entertainment destination by providing unique experiences that are fun and challenging for families and a diverse mix of visitors; and
- To be an urban oasis that celebrates its distinct location through excellence in design, architecture and landscaping.

board members

James Ginou, Chairman • April 24, 1997 – April 23, 2003

Peter Doucet • September 7, 1995 – September 6, 2001

Michael Di Biase • March 30, 1999 – March 29, 2002

H. Donald Guthrie • August 23, 1996 – August 22, 2002

John Langhorne • July 8, 1998 – July 7, 2001

Ken Morrish • June 3, 1998 – June 2, 2001

Margaret Munnoch • September 14, 1995 – September 13, 2001

Paul Pandos • April 29, 1999 – April 28, 2002

Keith Stein • April 29, 1999 – April 28, 2002

Amanda Walton • February 5, 1997 – February 4, 2003

Donald Young • June 11, 1997 – June 10, 2003

Jerome Zwicker • November 18, 1998 – November 17, 2001

Donald A. Obonsawin, Ex-Officio

senior management

Leslie Hutcheson, General Manager

Tom Chrzan, Senior Manager, Operations

Kevin McKaye, Senior Manager, Marketing & Sales

Wyeth Tracy, Senior Manager, Facilities

Doug Miller, Senior Manager, Finance & Administration

Andrea Peres, Senior Manager, Human Resources

corporate sponsors

Ontario Place gratefully acknowledges the support of our sponsors:

Benson & Hedges Inc. – Symphony of Fire, International Fireworks Competition
Bass Hotels & Resorts (Holiday Inn)
Blockbuster Canada Co.
Coca-Cola Bottling
Gatorade (Quaker Oats)
Mercury Marine
Molson Canada
Mr. Sub
Montclair (Perrier)
Pizza Pizza
Rogers AT&T Wireless
Star Choice Communications Inc

acknowledgements

Ontario Place Corporation wishes to acknowledge and express its appreciation to the following agencies and organizations for their co-operation and assistance in 2000:

Board of Governors of Exhibition Place
Canadian International Air Show
Canadian National Exhibition Association
City of Toronto
City of Toronto Fire Department
Commission on the Future of the Toronto Waterfront
GO Transit
Metropolitan Toronto Department of Ambulance Services
Metropolitan Toronto Department of Transportation
Metropolitan Toronto Police Department
Municipality of Metropolitan Toronto
Toronto Harbour Commission
Toronto Transit Commission
Transport Canada (Toronto Island Airport)

chairman's statement

Ontario Place continues to be one of Ontario's premier entertainment venues serving a cross-section of visitors with a broad range of facilities including the Molson Amphitheatre, the Ontario Place Marina and world-class attractions appealing to families with young children.


Ontario Place's complexion has changed considerably since it opened in 1971 but the park remains a must-see destination for both out-of-town visitors and families within Toronto and the surrounding area. Research shows that in addition to tourists, Ontario Place enjoys the strong support of Ontario residents who return to the park again and again each season – a strong testament to guest satisfaction.

Over the years, Ontario Place has carved a niche for itself as the home of outstanding family entertainment and major events. In 2000, Ontario Place presented "GROSSOLOGY: the Impolite Science of the Human Body". Located in POD 5, this exhibit generated tremendous media coverage and drew thousands of inquisitive families through its doors. GROSSOLOGY proved to be a valuable addition to the group sales education program. On-site research shows that GROSSOLOGY was very well received by both students and regular park guests.

This year, Ontario Place hosted the Benson & Hedges Symphony of Fire international fireworks competition for the 14th consecutive season and hosted the 2nd annual Toronto In-Water Boat Show, an event that is quickly growing into the largest of its kind in Ontario.

On behalf of my colleagues on the Board of Directors at Ontario Place, I would like to thank the employees, media and corporate sponsors, business partners and our guests for their ongoing support and commitment to Ontario Place.

I am pleased to submit, for review, Ontario Place's annual report for the year ended December 31, 2000.



James Ginou

Chairman, Ontario Place Board of Directors

attendance & weather

Ontario Place encompasses a wide variety of cultural, entertainment and recreational facilities. Programmed for broad public appeal, they also serve to showcase the rich resources of the Province. In 2000, Ontario Place generated total attendance of 1,271,013, which represents a 16% decrease over 1999.

Downward pressure on attendance is indicative of increased competition for the leisure dollar. Direct competition to Ontario Place is expanding and increasingly well financed, and will make capturing limited entertainment dollars increasingly difficult.

Several new IMAX® theatres have opened in the Greater Toronto area recently, where up until three years ago the Cinesphere was the only big screen offering in this market. The significant decrease in off-season Cinesphere attendance is a product of cuts to school field trips and off-site education spending.

2000 visitation by operating period is illustrated below

	Attendance		
	2000	1999	1998
Non-CNE	753,413	919,847	1,200,959
CNE	517,600	590,000	689,000
Total	1,271,013	1,509,847	1,889,959

visitor perception

In order to maintain consistently high levels of visitor satisfaction, Ontario Place makes extensive use of surveys and other feedback mechanisms to monitor guest perceptions. The results are used to interpret current park operations and are considered in the annual planning of programs and services that best enable the Corporation to preserve its position as a preeminent provincial attraction.

Research conducted during the 2000 summer season indicates a highly positive visitor response to the quality and range of Ontario Place features and services.*

- 30% were first time visitors.
- 72% were repeat visitors.
- 86% of guests visited the park 2 or more times this season.
- 74% of guests reside within a 100 km radius of the park.
- 80% of guests perceived the value of the Play All Day Pass® as a good, very good or excellent value.
- 75% of guests perceived the value of the Play All Night Pass® as a good, very good or excellent value.

* ICOUNT research, June 24 – August 17, 2000

concessions

Ontario Place has partnered with local and national companies to operate various food, retail and service concessions throughout the park. These partnerships enable Ontario Place to focus on its core competencies, while offering visitors access to a vast array of high-quality products and services without compromising customer service. In 2000, on-site concessions employed approximately 663 people.

Services

Molson Amphitheatre (House of Blues)

With seating for over 16,000, the Molson Amphitheatre is a unique concert venue that presents both small and large acts from across Canada, and around the world. Attendance for the 2000 concert season was 233,872, (excluding heritage days)

International Cigar Stores Ltd.

ICS, a national gift shop chain, operates four retail outlets located throughout the site, selling a vast assortment of novelty and souvenir merchandise.

National Helicopters

Offers an exhilarating 8-minute ride above downtown Toronto and around the CN Tower.

Autoclic

This service allows our guests to get a picture of their experience on the Wilderness Adventure Ride.

Caricatures Unlimited

Artists interpret your personality and visage with a hand-drawn picture.

Hi-Spy Viewing

Coin-operated viewfinders allow guests to look out at Lake Ontario.

Mahogany Harbour

Boat Museum

Picasso Painters

Roaming the park, these artisans provide face painting, black Henna body art and temporary tattoos.

Silent Waters

Canoe rentals offer the opportunity to leisurely explore the system of scenic waterways

Starburst Coin Operators

Coin operated arcades throughout the site add an element of excitement for video game fans.

Licensed & Full Service Dining, Snacks & Refreshments

Cara Foods Limited (Beaver Foods)

Introduced to Ontario Place in 1999, Cara Foods manages numerous locations and franchises throughout the park, including:

Harvey's, Church's Chicken, Pizza Pizza, Yogen Fruz, Second Cup, Tim Hortons, Mr. Sub, Roost and Sails Catering.

Atlantis

A full-service, licensed restaurant and nightclub that overlooks the Toronto skyline and Lake Ontario. With a capacity for 900, Atlantis hosts corporate events, private parties and regular evening entertainment.

Beavertails

For a traditional treat, Beavertails provides a taste unique to Canada.

Blueberry Hill (Snacks)

A small kiosk that offers several refreshing snacks for warm summer afternoons.

Cherry Avenue Farms

A family owned farm that provides the park with fresh fruit, juices and candy throughout the season.

Dockside Café

A place to grab a quick snack or a light meal.

auditor's report

To Ontario Place Corporation
and to the Minister of Tourism

I have audited the balance sheet of Ontario Place Corporation as at December 31, 2000 and the statements of operations and equity, changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2000, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



J. R. McCarter, C.A., Assistant Provincial Auditor

Toronto, Ontario

June 15, 2001

financial statements

Balance Sheet as at December 31, 2000

	2000 (\$000's)	1999 (\$000's)
<u>Assets</u>		
Current Assets		
Cash (Note 3)	940	287
Accounts receivable	662	838
Due from the Province of Ontario (Note 4)	1,943	68
Inventory	159	182
Prepaid expenses	250	163
	<u>3,954</u>	<u>1,538</u>
Capital Assets (Note 5)	113,660	114,220
	<u>117,614</u>	<u>115,758</u>
<u>Liabilities and Equity</u>		
Current Liabilities		
Accounts payable and accrued liabilities	3,384	1,275
Deferred income	46	28
	<u>3,430</u>	<u>1,303</u>
Deferred Capital Contributions (Note 7)	10,399	10,406
Unspent Deferred Capital Contributions (Note 7)	1,433	-
	<u>11,832</u>	<u>10,406</u>
Equity		
Invested in capital assets	103,261	103,814
Retained income (deficit)	(909)	235
	<u>102,352</u>	<u>104,049</u>
	<u>117,614</u>	<u>115,758</u>

Contingencies and Commitments (Note 9)

See accompanying schedules and notes to financial statements

Approved on behalf of the Corporation



John Langhorne, Director



James Ginou, Director

financial statements

Statement of Operations and Equity For the year ended December 31, 2000

	2000 (\$000's)	1999 (\$000's)
Operating revenue (Schedule 1)	12,658	12,025
Administrative and operating expenses (Schedule 2)	16,537	15,831
Operating deficit before the following	<u>(3,879)</u>	<u>(3,806)</u>
Province of Ontario operating grants	4,915	3,600
Amortization of deferred capital contributions	1,504	1,569
Amortization of capital assets	(2,357)	(2,322)
Refund of prior year property taxes (Note 10)	-	501
	<u>4,062</u>	<u>3,348</u>
Termination of licence agreement (Note 6)	<u>(1,880)</u>	-
Net loss for the year	(1,697)	(458)
Equity, beginning of year	104,049	104,507
Equity, end of year	<u>102,352</u>	<u>104,049</u>

Statement of Changes in Equity For the year ended December 31, 2000

	2000 (\$000's)			1999 (\$000's)	
	Invested in Capital Assets	Retained Income (Deficit)	Total	Total	
Balance, beginning of year	103,814	235	104,049	104,507	
Net income	(853)	(844)	(1,697)	(458)	
Investment in capital assets	300	(300)	-	-	
Balance, end of year	<u>103,261</u>	<u>(909)</u>	<u>102,352</u>	<u>104,049</u>	

See accompanying schedules and notes to financial statements.

financial statements

Statement of Cash Flows

For the year ended December 31, 2000

	2000 (\$000's)	1999 (\$000's)
Operating Activities		
Net loss for the year	(1,697)	(458)
Adjustments against net income not requiring an outlay of cash		
-amortization of capital assets	2,357	2,322
-amortization of deferred capital contributions	(1,504)	(1,569)
Net change in non-cash working capital	364	(338)
Cash utilized by operating activities	<u>(480)</u>	<u>(43)</u>
Investing Activities		
Capital assets acquisitions	<u>(1,797)</u>	<u>(2,143)</u>
Cash used in investing activities	<u>(1,797)</u>	<u>(2,143)</u>
Financing Activities		
Capital Grants Received	<u>2,930</u>	-
	<u>2,930</u>	-
Increase (Decrease) in cash during the year	653	(2,186)
Cash, beginning of year	<u>287</u>	<u>2,473</u>
Cash, end of year	<u>940</u>	<u>287</u>

See accompanying schedules and notes to financial statements.

financial statements

Schedules of Operating Revenue and Administrative and Operating Expenses For the year ended December 31, 2000

Schedule 1	2000	1999
Operating Income	(\$000's)	(\$000's)
Admissions	6,647	5,747
Parking	1,551	1,561
Site rentals and special events	1,032	1,298
Concessions	1,030	994
Marina	705	672
Cinesphere revenues	818	662
Sponsorship revenue (Note 11)	644	611
Attractions	116	408
Interest income	115	72
	<u>12,658</u>	<u>12,025</u>
Schedule 2		
Administrative and Operating Expenditures		
Salaries and wages	5,951	5,818
Employee benefits (Note 8)	836	1,040
Advertising	2,079	1,912
Programming and entertainment	2,050	1,805
Site maintenance	2,258	1,893
General and administration	1,153	1,433
Supplies	720	528
Utilities	784	822
Property taxes (Note 10)	345	411
Bad debts	278	106
Other	83	63
	<u>16,537</u>	<u>15,831</u>

See accompanying notes to financial statements.

notes to financial statements December 31, 2000

1. Nature of Operation

Ontario Place Corporation, (the "Corporation" or "Ontario Place") a provincial Crown agency, operates a park built on a 96-acre site extending through three islands created using landfill along the Toronto waterfront. The park includes a wide variety of programs, attractions and facilities which capture the spirit of Ontario by featuring distinctive and quality attractions for all ages. The site is intended to provide visitors with an appreciation of the Province's resources and accomplishments. The fees charged for admission and the various attractions within the park are subject to approval by the Province of Ontario (the "Province"). The Province also provides grants to partially cover the costs of activities, programs and rejuvenation of the park. In addition to the various attractions and activities operated directly by Ontario Place, the Corporation entered into a number of licence, ground lease and special event agreements with various private-sector companies for the 2000 season.

2. Significant Accounting Policies

(a) Basis of Accounting

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

(b) Inventory

Supplies inventory is valued at cost. Resale inventory is valued at the lower of cost or net realizable value.

(c) Capital Assets

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

Buildings	25 years
Attractions	10 years
Equipment, fixtures	10 years
Computer equipment	4 years
Vehicles	3 years

(d) Revenues

Under the Park's Play All Day Admission Policy, most of the related revenue is allocated to Admissions with the exception of the Sea Trek joint venture (1999 only) and other minor attractions.

notes to financial statements December 31, 2000

3. Cash

The Corporation invests in short-term deposits when excess cash balances are on hand during the year. The Corporation's investment policy restricts short-term deposits to high quality money market instruments such as federal/provincial treasury bills, banker's acceptances and term deposits. Short-term deposits were nil at December 31, 2000 (1999 - nil).

4. Due From the Province of Ontario

The amount shown is the net of amounts due from the Province of \$2,316,000 (1999 - \$1,028,000) and due to the Province of \$373,000 (1999 - \$960,000).

5. Capital Assets

Capital assets consists of the following:

	2000			1999
	Cost (\$000's)	Accumulated Amortization (\$000's)	Net Book Value (\$000's)	Net Book Value (\$000's)
Land, waterlots	101,660	-	101,660	101,660
Buildings	5,573	1,524	4,049	3,524
Attractions	9,891	6,053	3,838	4,388
Equipment, fixtures	12,055	7,975	4,080	4,575
Computer equipment	188	155	33	18
Vehicles	149	149	-	55
	129,516	15,856	113,660	114,220

6. Termination of Licence Agreement

During 2000, a concessionaire exercised its option to terminate its agreement with the Corporation for operating the majority of the Corporation's food outlets. As a result of this termination, the Corporation was required to purchase the concessionaire's assets related to its food service operations at Ontario Place, at the depreciated cost of the assets. The accounting for this transaction is as follows:

Payment to Concessionaire	\$2,300,000
Proceeds for sale of assets acquired	(120,000)
Fair market value of assets retained and used in ongoing operations	(300,000)
Write down of concession assets deemed to have minimal value	1,880,000

As a result of the termination, the Corporation received an additional operating grant of \$2,316,000 from the Province of Ontario after year-end to cover the total cost of the termination. The grant is included in operating grants on the statement of operations and equity, and due from the Province of Ontario on the balance sheet, as at December 31, 2000.

notes to financial statements December 31, 2000

7. Deferred Capital Contributions

Deferred capital contributions represent the amount of restricted grants received in prior years for the purchase of capital assets. Purchased assets have been capitalized and the total grant has been deferred and will be amortized into income over the useful lives of the assets. The changes in the deferred capital contributions balance are as follows:

	2000 (\$000's)	1999 (\$000's)
Balance, beginning of year	10,406	11,975
Amount amortized to revenue	(1,504)	(1,569)
Capital grants received	2,930	-
Balance, end of year	<u>11,832</u>	<u>10,406</u>

8. Pension Plan

The Corporation provides pension benefits for all its permanent employees (and to non-permanent employees who elect to participate) through the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multi-employer plans established by the Province of Ontario.

The Corporation's contribution related to the PSPF and OPSEU pension funds for the year was \$166,130 (1999 - \$313,958) and is included in employee benefits in the Schedule of Administrative and Operating Expenses.

9. Contingencies and Commitments

(a) Concessionaires

The Corporation was named as a defendant in actions by three concessionaires in 1995. Total claimed damages on each action amount to \$1.5 million plus interest and legal costs. There is also a separate cross claim against the Corporation by a concessionaire in the amount of \$1.5 million plus interest and legal costs.

The likelihood of a loss to the Corporation, and amount of loss, if any, regarding each of the actions is not determinable at this time.

(b) Lease Commitments

Minimum lease payments for equipment rental and licence fees for 2001 are \$263,679.

notes to financial statements December 31, 2000

10. Property Taxes

The Corporation believes, and has received a legal opinion stating that it has no legal obligation to pay grants in lieu of property taxes relating to Ontario Place. As a result, in fiscal 1996/97, the Board of Directors of the Corporation passed a resolution declaring that, commencing with the 1996 taxation year, the Corporation will not make any payment or record any charges for property taxes or grants in lieu of property taxes with respect to those portions of Ontario Place property not occupied by tenants. The Corporation advised the then Ministry of Economic Development, Trade and Tourism, and the Ministry of Municipal Affairs and Housing of the Board's decision. However, the province continued to pay the grants in lieu of property taxes on behalf of Ontario Place.

During the year ended December 31, 1999, the Corporation received a refund of grants in lieu of property taxes of \$501,369 for certain taxation years between 1995 and 1999 from the City of Toronto. Subsequent to December 31, 2000, the Corporation received a refund of grants in lieu of property taxes of \$812,650 relating to the 1998 taxation year. This amount will be accounted for in the 2001 fiscal year.

During the year, the Corporation paid property taxes of \$862,150 (1999 - \$839,755) for premises occupied by concessionaires. The Corporation charged back \$517,435 (1999 - \$428,755) to these concessionaires.

11. Sponsorship Revenue

Sponsorship agreements confer exclusive use of company products/services during the operating season, and include promotion and facility signage throughout the site where applicable.

Sponsorship revenue does not include in kind contributions including Symphony of Fire programming costs paid directly by a major sponsor. Without these in kind contributions, Ontario Place would have to incur considerable expenditures for such events to maintain attendance levels and site revenues.

background

Organization

Inaugurated as a Crown Corporation of the Government of Ontario in May 1971, Ontario Place is administered by a 13 member Board of Directors reporting to the Minister of Tourism.

Officers of the Corporation are: The Chair and Vice-Chair of the Board, the General Manager and the Secretary/Treasurer.

Reporting to the General Manager are: Senior Manager, Marketing, Sales and Entertainment; Senior Manager, Facilities; Senior Manager, Operations; Manager, Concessions; Senior Manager, Human Resources; Senior Manager, Finance and Administration.

Personnel

Corporate staff levels for the year ending December 31, 2000:

- Ontario Place employed 81 full-time staff, 5 seasonal staff and approximately 480 students, recruited primarily from Ontario high schools, Colleges and Universities.
- On-site Concessions provided additional employment for approximately 663 staff.

employees paid \$100,000 or more in 2000

Leslie Hutcheson, General Manager, \$117,092.32

Prepared in accordance with the Public Sector Salary Disclosure Act, 1996.

major site features

The 38-hectare (96-acre) parkland complex extends through three islands created using lake fill. The major features include:

East Island

The Molson Amphitheatre (9,000 seats and 7,000 general admission lawn seating); Children's Village and Waterplay area; Children's Festival Stage (400 seats); four-flume Waterslide; Hydrofuge; Bumper Boats; Mini Bumper Boats; HMCS HAIDA Naval Museum; Mini-Greens; Water Shuttle; 8 snack bars; 3 gift shops and public parking (capacity of 300 cars and buses).

Special Exhibits

Grossology: The impolite science of the human body

Pods

Cinesphere (752 seat IMAX® theatre); Atlantis Night Club and Entertainment Complex; Lounge and banquet facilities and 3,100 square metres of space for themed exhibits.

West Island

Wilderness Adventure Ride (670 metres) water flume ride; Sea Trek (30 seat) motion simulator ride; The Island Club; MegaMaze; Japanese Temple Bell; Pedal Boats; 1 sit-down restaurant; 4 snack bars and a 300 slip marina.

Mainland

Public parking (capacity of 1,800 cars); 60-slip marina.