



 **ontario place**

2007 Annual Report

for the year ending December 31, 2007



An Agency of the Government of Ontario

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Ontario Place Corporation
 955 Lake Shore Boulevard West
 Toronto, ON Canada M6K 3B9
www.ontarioplace.com
 An Agency of the Government of Ontario

The Honourable Jim Bradley, Minister – Ontario Ministry of Tourism
 The Honourable Peter Fonseca, Minister – Ontario Ministry of Tourism
 Printed by the Order of the Legislative Assembly of Ontario



Our Vision

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

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

David Crombie, Chair	June 23, 2004 to June 22, 2008
David Angus	May 6, 2002 to May 5, 2010
Keith Stein	April 29, 1999 to April 28, 2008
Linda Franklin	May 7, 2003 to May 6, 2006 October 5, 2006 to October 4, 2009
Kerry Peacock	June 23, 2004 to June 22, 2007 Vice-Chair as of August 8, 2005
Joe Halstead	June 1, 2005 to May 31, 2008
Penny Lipsett	June 22, 2005 to July 21, 2006 October 18, 2006 to October 17, 2009
David Israelson	June 6, 2007 to June 5, 2008
David Lindsay, Deputy Minister	Ex-Officio September 18, 2006 to December 31, 2007

Senior Management

Glenn Dobbin	General Manager
Jonathan Daley	General Manager (A) & Director of Corporate Affairs & Guest Services
Marsha O'Connor	Director of Finance & Administration
Terry Caddo	Director of Marketing & Communications
Yves Deschênes	Director of Human Resources
Joseph Tavares	Director of Maintenance & Construction
Keith Brown	Director of Operations
Jacqui Kovacs	Director of Resale
Chuck Thibeault	Director of Resale & Group Sales (A)

Corporate Sponsors

Ontario Place gratefully acknowledges the support of our sponsors:

Baskin Robins	Molson Canada
Canada Dry	Nestle Waters
Center for Education & Training	Pizza Pizza
Coca-Cola	Roger's Communications Inc.
Gallo Estates	Sherwin Williams (Thompson Water Seal)
HBC	Sony Playstation
Intercontinental Hotels	Subaru
Mattel Canada	Tracker Marine
Mega Brands	VISA
Mercury Marine	

Promotional Partners

2001 Audio Video	McDonalds
680 News	Ming Pao Newspaper
92.5 JackFM	Ministry of Tourism (fun pass)
97.3 EZ Rock	Mix 99.9
Airmiles	Multicom Media
Attraction Ontario	OMNI
Burnbrae Omega 3 eggs	Sing Tao Newspaper
Canwest Global	TicketOPS
CFTO	Today Daily News
City Parent	Today's Parent
Country Style Donuts	Today's Parent KidSummer Program
Dairy Farmers of Ontario	Toronto Blue Jays
Fan 590	Toronto Catholic District School Board
Gardiner Museum	Toronto Star
Hamilton-Wentworth District School Board	T&T Supermarkets
Lick's	The Walt Disney Company (Canada) Ltd.
Mandarin Restaurants	World Journal

Other Partners:

National Marine Manufacturer's Association - Toronto In-Water Boat Show

Acknowledgements

Ontario Place Corporation wishes to acknowledge and express its appreciation to the following agencies and organizations for their co-operation and assistance in 2007:

Board of Governors of Exhibition Place
Canadian International Air Show
Canadian National Exhibition Association
City of Toronto
Ontario Tourism Marketing Partnership
Toronto Harbour Commission
Toronto Police Service
Toronto Transit Commission
Tourism Toronto
Transport Canada (Toronto Island Airport)

Chair's Statement

The year 2007 saw the second year of the Chinese Lantern Festival. The festival brought the return of the beauty and majesty of the Chinese culture to Ontario Place. The festival highlighted the history of the Terra Cotta warriors, architecture and the Qin, the Tang, and the Song dynasties. As in 2006, the festival supported the Ontario Place Future Framework by bringing a "vibrant mix of new life and activity" to the site.

Ontario Place admission revenue increased by 18 per cent over 2006. This success came from a higher spend per capita, as guests were spending more at the park.

Two thousand and seven also saw the development of a Green Action Plan that derives from the Future Framework objective to showcase green approaches. The goal is to significantly reduce our environmental footprint. This year's Capital Plan included a major refurbishment of the HVAC and windows in two of the Ontario Place pod structures that contain the Atlantis Pavilions facility. This Green project will reduce energy consumption in the two pods by more than 60 per cent and, most importantly, will cut greenhouse gas emissions by over 800,000 kg per year. This initiative contributed to a total renovation of the facility that resulted in the revitalization of two of these iconic structures.

Another project completed in 2007 was the renovation of the administration building. This project revitalized the building, created badly needed staff space and added more insulation and high efficiency lighting. Washrooms in the park were reviewed and a priority was set for the washrooms in Soak City to be revitalized. The renovation included new flooring, painting and energy efficient lighting.

Two thousand and seven will be the last full year for me as Chair of the Board of Directors, as my term will end in the spring of 2008. I am very proud to have been a part of this amazing park on Toronto's waterfront. Ontario Place is an icon that has brought fun and beauty to many people over the years. I thank my Board colleagues and the staff for their support during my term as Chair of the Board.

On behalf of my colleagues on the Board of Directors, I would like to express our thanks to the employees of Ontario Place for their hard work in 2007 and to our business partners and guests for their ongoing support. I am pleased to submit for review the Ontario Place annual report for the year ending December 31, 2007.

David Crombie, P.C., O.C.
Chair, Ontario Place Corporation Board of Directors

2007 Objectives

1. Excellence in Guest Satisfaction.

Invest in new initiatives to improve overall guest satisfaction to 86%. These include:

- Maintain the park and to improve landscaping and park cleanliness.
- Live entertainment to add value during the busiest and most crowded time of the summer season.

The park guest satisfaction rating for 2007 was 85% 1% short of the objective, with an increase of 3% over 2006.

Entertainment was added on higher attendance days to give the park guests more variety and to better reutilize the foot print of the park. Attraction line-ups were smaller as guests had more options during their visit.

2. Develop a Green Action Plan and reduce the carbon environmental footprint of Ontario Place. These include:

- A major green initiative in the Ontario Place pods that will contribute to a complete refurbishment of the banquet facility while greatly reducing energy consumption and the emission of harmful green house gases.
- Refurbishment of the public washrooms in response to guest feedback regarding deficiencies in these locations.

Pods 1 and 2 went through a major renovation to improve the efficiency of the structures. Double pane thermo glass windows replaced single pane windows and a new high efficiency HVAC system was installed. This green renovation was estimated to reduce the energy consumption in the two Pods by more than 60%. It also allowed the tenant to revitalize the interior of the space creating new interest in the venue and driving more business.

The public washroom revitalization was done in phases. The first phase saw improvements made to the Soak City washrooms/change rooms. The second phase will be procured this year and completed in a future year. It will include changing all faucets to auto flow, reducing the amount of water being consumed.

3. Create relevant programming. These include:

- Operate the second Chinese Lantern Festival and continue to develop successful stakeholder partnerships to grow this event.
- Add cultural entertainment to Festival of Fire program.

The Chinese Lantern Festival returned with a new historical theme. One hundred and forty-two thousand (142,000) people came to experience the festival, allowing the festival to break even and create excellent programming for the park. The 2007 attendance was 30% decrease from the 2006 attendance.

The Festival of Fire is themed around the music and culture of various countries. As an additional component to the event, live entertainment performed before the firework shows highlighting the music of the title country.

4. Provide employment opportunities for over 450 seasonal staff during the summer months and year-round employment in the tourism sector.

Over 500 seasonal staff and more than 400 concession staff are hired each year to operate the park. The seasonal staff is trained to perform specific duties that compliment their skills and interests.

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 adjust current park operations on an on-going basis and are considered in the annual planning of programs and services that best enable Ontario Place to meet the expectations of its guests.

In 2002, Ontario Place joined six other major Greater Toronto Area (GTA) attractions in a collaborative guest satisfaction survey. This survey was repeated in 2007. On-site interviews at Ontario Place were conducted over two periods: June 18 - 22, 2007, and August 6 - 10, 2007. In addition, Ontario Place conducted in-house exit surveys daily, from May 5, 2007 to October 7, 2007.

Results for Ontario Place indicate a generally positive visitor response to the quality and range of the park's features and services:

- The duration of the average visit to Ontario Place increased 40 minutes to 4.7 hours*
- 47% (up from 45%) of guests were 18 years of age or younger*
- The average household income of the Ontario Place guest in 2007 was \$86,400 (up from \$85,200 in 2006)*
- 52% (down from 60% in 2006) of Ontario Place visitors reside within the GTA and suburbs; 41% of visitors reside in Ontario; 3% (the same in 2006) reside in the rest of Canada while 3% reside in the U.S. 2% also state coming from an other country (down from 5% in 2006).*
- Ontario Place is a family destination, the average group size being 4 (up from 3.4 in 2006)*
- 57% (down from 63% in 2006) of Ontario Place guests are repeat visitors*
- 81% (up from 78% in 2006) of Ontario Place guests rated the Play All Summer Pass "value for money"***
- 74% (down from 88% in 2006) of guests would recommend Ontario Place**

Source: *Northstar Research Partners, "Visitor Satisfaction Exit Survey", 2007

**Ontario Place exit surveys, 2007

Concessions

Ontario Place has partnered with local and national companies to operate various food, retail and service concessions throughout the park.

Services

National Helicopters

Offer an exhilarating 10-minute helicopter ride above downtown Toronto and around the CN Tower.

K B Enterprises

Fulfillment and service to the beverage and snack vending machines throughout the park.

Buddy Buggy Stroller Rental

Stroller rentals operated by Ontario Place Resale staff at the gift shop. Stroller equipment and on-site repair & maintenance support provided by Buddy Buggy Inc.

Innovative Systems Inc. (ISI)

Provide all equipment and support for two ride-photo locations. Operated by Ontario Place staff.

New Way Sales

Provide arcade equipment, maintenance and repairs.

Licensed & Full Service Dining, Snacks & Refreshments

Baskin Robbins

Two locations.

Beavertails

One location.

Pinnacle Catering

Operates a full service sit-down restaurant and the Peller Patio at Centre Entrance. Pinnacle is also the caterer of record for Group Sales at the Sails location, South Beach, and the Corporate Lakeside Tents.

Seabreeze Foods – “Off the Grill”

Two locations.

Pizza Pizza

Three locations.

Chicken Chicken

One location.

Booster Juice

One location.

Vital Link Ice Cream

A selection of quick service snack items from four kiosks and a number of mobile carts throughout the park.

Concessions (continued)

Business Partners – Long Term Agreements

Atlantis

A full-service, year round banquet and corporate events facility that overlooks the Toronto skyline and Lake Ontario. With a capacity of 1,900, Atlantis hosts corporate events, private parties and regular evening entertainment.

Molson Amphitheatre (House of Blues Concerts Canada)

With a capacity of over 16,000, the Molson Amphitheatre is a unique concert venue that presents domestic and international acts. Attendance for the 2007 concert season was 193,951 (excluding Heritage Days).

Responsibility for Financial Reporting

The management of Ontario Place Corporation is responsible for the integrity and fair presentation of the financial statements accompanying this report. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and of necessity include some amounts that are based on estimates and judgements.

Ontario Place maintains systems of internal accounting controls designed to provide reasonable assurance that the financial information is accurate and reliable, the company assets and liabilities are adequately accounted for, and assets are safeguarded. The systems include policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibility.

The financial statements have been reviewed by Ontario Place's Audit Committee and have been approved by its Board of Directors. In addition, the financial statements have been audited by the Office of the Auditor General of Ontario, whose responsibility it is to express an opinion whether they have been prepared in accordance with generally accepted accounting principles. The Auditor's Report that appears as part of the financial statements outline the scope of the Auditor's examination and opinion.

On behalf of Management:



Jonathan Daley
General Manager (A)



Marsha O'Connor, CMA
Director of Finance & Administration

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, 2007 and the statements of operation 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, 2007, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
July 6, 2007, except as to Note 8
which is as of August 23, 2007



Gary R. Peall, CA
Deputy Auditor General
Licensed Public Accountant

Ontario Place Corporation

Balance Sheet As at December 31, 2007

	2007 (\$ 000)	2006 (\$ 000)
ASSETS		
Current		
Cash	4,497	7,824
Accounts receivable	1,040	814
Inventory	170	204
Prepaid expenses and deferred charges	68	47
	5,775	8,889
Capital Assets (Note 3)	114,126	113,060
	119,901	121,949
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payables and accrued liabilities (Note 6(B))	6,010	5,551
Due to the Province of Ontario	379	964
Deferred revenue	112	113
	6,501	6,628
Deferred Capital Contributions (Note 4)	15,524	13,974
Unspent Deferred Capital Contributions (Note 4)	1,371	1,303
Accrued Employee Severance Liability (Note 6(B))	521	429
	17,416	15,706
Equity		
Invested in capital assets (Note 5)	98,602	99,086
Retained income	(2,618)	529
	95,984	99,615
	119,901	121,949

Contingencies (Note 9)

See accompanying schedules and notes to financial statements.

Approved on behalf of the Corporation:



Director



Director

Ontario Place Corporation

Statement of Operations

For the Year Ended December 31, 2007

	2007 (\$ 000)	2006 (\$ 000)
Operating revenue (Schedule 1)	17,690	16,829
Administrative and operating expenses (Schedule 2)	23,306	19,121
Operating deficit before the following	(5,616)	(2,292)
Province of Ontario operating grants	2,469	2,454
Amortization of deferred capital contributions	1,287	1,335
Amortization of capital assets	(1,771)	(1,938)
	1,985	1,851
Province of Ontario Property Tax grant (Note 7)	9,400	–
Property tax expense for prior years (Note 7)	9,400	–
	–	–
Net loss for the year	(3,631)	(441)

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Statement of Changes in Equity For the Year Ended December 31, 2007

	2007 (\$ 000)			2006 (\$ 000)
	Invested in Capital Assets	Retained Income	Total	
Balance, beginning of year	99,086	529	99,615	100,056
Net income/(loss)	(484)	(3,147)	(3,631)	(441)
Balance, end of year	98,602	(2,618)	95,984	99,615

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Statement of Cash Flows For the Year Ended December 31, 2007

	2007 (\$ 000)	2006 (\$ 000)
Operating Activities		
Net loss for the year	(3,631)	(441)
Adjustments against net loss not requiring an outlay of cash		
• Amortization of capital assets	1,771	1,938
• Amortization of deferred capital contributions	(1,287)	(1,335)
Net change in non-cash working capital	(340)	2,527
Accrued Employee Severance Liability	93	50
Cash generated from operating activities	<u>(3,394)</u>	<u>2,739</u>
Investing Activities		
Capital asset acquisitions – net	(2,838)	(1,620)
Cash used in investing activities	<u>(2,838)</u>	<u>(1,620)</u>
Financing Activities		
Capital grants received	2,905	1,809
	<u>2,905</u>	<u>1,809</u>
Increase in cash during the year	(3,327)	2,928
Cash, beginning of year	7,824	4,896
Cash, end of year	<u>4,497</u>	<u>7,824</u>

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Schedules of Operating Revenue and Administrative and Operating Expenses For the Year Ended December 31, 2007

	2007 (\$ 000)	2006 (\$ 000)
Schedule 1		
Operating Revenue		
Admissions	8,442	7,981
Parking	2,370	2,513
Retail sales and catering	1,845	1,872
Sponsorship revenue (Note 8)	1,828	1,126
Concessions and facility rental	1,045	1,191
Marina	760	768
Amphitheatre	664	697
Interest income	246	243
Cinesphere revenues	209	238
Other revenue	281	200
	17,690	16,829
 Schedule 2		
Administrative and Operating Expenses		
Salaries and wages	7,727	7,259
Advertising (Note 8)	3,699	2,786
General and administration (Note 7)	3,606	1,259
Site maintenance	1,370	987
Programming and entertainment	1,287	1,249
Utilities	1,132	1,121
Employee benefits (Note 6)	1,079	956
Supplies	1,051	1,101
Cost of retail sales	945	1,076
Janitorial	685	598
Transportation and communications	483	530
Other	242	199
	23,306	19,121

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Notes to Financial Statements
December 31, 2007

1. Nature of Operations

Ontario Place Corporation, (the "Corporation" or "Ontario Place") a provincial Crown agency, is incorporated under the *Ontario Place Corporation Act* R.S.O. 1990. As an Ontario Crown agency, the Corporation is exempted from federal and provincial income taxes.

The Corporation 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 Minister of Tourism. The Corporation receives grants from the Province 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 2007 season.

2. Significant Accounting Policies

(A) BASIS OF ACCOUNTING

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

(B) INVENTORY

Supplies inventory is valued at cost.

(C) CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the straightline 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

Ontario Place Corporation

Notes to Financial Statements
December 31, 2007

2. Significant Accounting Policies (Continued)

(D) USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures for the period. Actual amounts could differ from these estimates.

(E) FAIR VALUE OF FINANCIAL INSTRUMENTS

Ontario Place follows the Canadian Institute of Chartered Accountants (CICA) new accounting standards pertaining to financial instruments. These standards establish guidance for the recognition and measurement of financial assets and liabilities and how financial instrument gains and losses should be accounted for. Under these new standards, all financial instruments are classified into one of the following five categories: held-for-trading, held to maturity, loans and receivables, available for sale financial assets, or other financial liabilities.

Under these standards, all financial instruments are required to be measured at fair value upon initial recognition except for certain related party transactions. After initial recognition, financial instruments should be measured at their fair values, except for financial assets classified as held to maturity or loans and receivables and other financial liabilities, which are measured at cost or amortized cost.

These new standards did not have an impact on the carrying values of the Corporation's financial assets and liabilities because:

- Cash are classified as held for trading and recorded at fair value.
- Accounts receivable are classified as loans and receivables and are valued at face value which approximates fair value given their short term maturities.
- Accounts payable and Due to the Province are classified as other financial liabilities and are recorded at face value which approximates fair value given their short term maturities.

It is management's opinion that the Ontario Place Corporation is not exposed to significant interest rate, currency or liquidity risk arising from its financial instruments due to their nature. Ontario Place is exposed to credit risk by its customers. As a result, it determines on a continual basis, the probable credit losses and sets up a provision for losses based on the estimated realizable value.

Ontario Place Corporation

Notes to Financial Statements
December 31, 2007

3. Capital Assets

Capital assets consists of the following:

	2007 (\$ 000)			2006 (\$ 000)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land, waterlots	101,660	—	101,660	101,660
Buildings	10,779	3,677	7,102	4,784
Attractions	8,169	3,815	4,354	5,187
Equipment, fixtures	3,697	2,738	959	1,364
Computer equipment	120	69	51	65
	124,425	10,299	114,126	113,060

4. Deferred Capital Contributions

Deferred capital contributions represent the amount of restricted grants received for the purchase of depreciable capital assets. Purchased assets have been capitalized and the corresponding grant has been deferred together with unspent capital grants and will be amortized into income on the same basis that the assets are amortized. The changes in the deferred capital contributions balance are as follows:

	2007 (\$ 000)	2006 (\$ 000)
Balance, beginning of year	15,277	14,803
Amount amortized to revenue	(1,287)	(1,335)
Capital grants received	2,905	1,809
Balance, end of year	16,895	15,277

5. Invested in Capital Assets

The invested in capital asset balance represents the net amount of the Corporation's investment in capital assets less the deferred capital contribution balance at year end.

6. Employee Benefits

(A) PENSION BENEFITS

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 multiemployer plans established by the Province of Ontario. These plans are accounted for as defined contributions plans as the Corporation is not provided with sufficient information to apply defined benefit accounting to these pension plans. Accordingly, the pension expense is the Corporation's share of the required contribution to the PSPF and OPSEU pension funds for the year, which was \$243,266 (2006 - \$230,749), and is included in employee benefits in the Schedule of Administrative and Operating Expenses.

(B) NON-PENSION BENEFITS

The cost of unused vacation and earned legislated severance entitlements are accrued for in the financial statements. The cost of other post-employment non-pension employee benefits are paid by the Ministry of Government Services and are not included in the statement of operations.

Ontario Place Corporation

Notes to Financial Statements December 31, 2007

7. Liability For Property Taxes

The Corporation believed, and had received a legal opinion in 1997 stating that it has no legal obligation to pay property taxes or 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.

The Corporation did not receive a property tax bill from the City of Toronto in 2001 and 2002. In 2001, payments to the City for property tax on land occupied by tenants were returned by the City with the explanation that Ontario Place was exempt from property tax. In November 2006, the Corporation received revised property tax bills totalling as follows:

- \$3,551,298 for the years from 2001 to 2006 for the taxable portion of property occupied by concessionaires.
- \$9,415,623 for the years from 2001 to 2006 for taxes for property occupied by the Corporation.

For 2007, the Corporation received property tax bills totalling as follows:

- \$738,969 for the taxable portion of property occupied by concessionaires.
- \$2,367,867 for taxes for property occupied by the Corporation.

Pertinent information with respect to property taxes for the last seven years is as follows:

Year	Property Tax Billed to Concessionaires	Corporation's Recognized Property Tax Liability for Premises Occupied by Concessionaires	Total
2001 - 2006	1,864,816	1,686,482	3,551,298
2007	439,880	299,089	738,969
Total	2,304,698	1,985,571	4,290,267

Billed for Ontario Place Occupied Property

2006 - re 2001 - 2006	9,415,623
- 2007	2,367,867
	<u>16,073,757</u>
Paid	<u>11,265,374</u>
Accrued Liability as at Dec. 31, 2007	<u>4,808,383</u>

The amounts billed are in dispute with the City of Toronto, and therefore the Corporation did not reflect the liability for the taxes for property occupied by the Corporation in the 2006 and earlier financial statements. The Corporation has appealed the tax assessments to the Assessment Review Board and has written to the Minister of Tourism asking for assistance in seeking relief from the tax assessments.

However, in August 2007, Ontario Place received \$9.4 million from the Province of Ontario to pay the property tax assessed by the City of Toronto for property occupied by the Corporation. As a result, the Corporation decided to recognize in its financial statement the total of all property tax bills received and subsequently paid the City of Toronto property tax totalling \$11,265,374. This amount consisted of the \$9.4 million received from the Province of Ontario as well as \$1,865,374 in property taxes billed by Ontario Place to, and received from, its concessionaires. This payment was made without prejudice to Ontario Place's ongoing appeal of its property tax assessment.

Ontario Place Corporation

Notes to Financial Statements
December 31, 2007

8. Non-Monetary Transactions

OPC entered into a number of non-monetary transactions, which saw OPC exchange advertising for a variety of goods and/or services. Most significant are:

	Nature of Goods Exchanged	Basis of Measurement
Rogers Communications Inc.	Wireless services; Wireless products	Contract value
Royal Botanical Gardens	Plants	Contract value
Mercury Marine	Boat motors	Fair market value
Tracker Marine	Boats	Fair market value
Kidomo Inc.	Live Kids Entertainment	Fair market value

Approximately \$751,000 has been recognized as both sponsorship revenue and advertising expense as a result of these exchanges. There were no gains or losses associated with the above transactions.

9. Contingencies

(A) LEGAL CLAIM

A corporation commenced a legal action against Ontario Place after being the unsuccessful bidder in a tender issued by Ontario Place. Although the total claim amounts to \$450,000 plus interest and costs, the legal advisors of the Corporation are of the opinion that should the claimant be successful, the more likely amount would be substantially less than the amount claimed.

(B) ELECTRICAL TRANSFORMERS

There is new federal legislation requiring the end of use of PCB-cooled transformers by December 31, 2009. PCB is toxic oil used as coolant in three of the transformers used by the Corporation. The estimated cost of replacing the transformers is \$1.5m, excluding any civil work needed to remove the old transformers and install the new ones. Presently the Corporation does not have the cash flow or ability to fund this obligation to ensure compliance with the relevant legislation.

Background

Organization

Inaugurated as a Crown Corporation of the Government of Ontario in May 1971, Ontario Place is administered by a 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.

Personnel

Corporate staff levels for the peak operating season, year ending December 31, 2007:

- Ontario Place employed 55 full-time staff during the park's peak operating season, 18 seasonal and year-long contract employees; and approximately 573 students, recruited primarily from High School and Ontario Colleges and Universities.
- On-site concessions provided employment for approximately 400 additional students and youth in 2007.

Employees that were paid \$100,000 or more in 2007

Keith Brown, Director of Operations	\$103,956.34
Glenn Dobbin, General Manager	\$128,624.94
Marsha O'Connor, Director of Finance & Administration	\$114,986.62
Joe Tavares, Director of Maintenance & Construction	\$103,956.34

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 and was created using land fill. The major features include:

East Island

- The Molson Amphitheater (9,000 seats and 7,000 general admission lawn seating)
- Children's Festival Stage (400 seats)
- Soak City water park
- Mini Bumper Boats
- Mini-Greens
- Whiz Kids Mini Racers
- First Flight
- Freefall
- Cyclone Speedway
- Super Slide
- Water Shuttle
- Conservation area
- 4 gift shops
- Public parking (capacity of 344 cars and buses)

Pods

Cinesphere (a 752 seat IMAX® theatre); Atlantis entertainment complex and 3,100 square metres of space for themed exhibits

West Island

- Wilderness Adventure Ride
- MARS (30 seat) motion simulator ride
- The Go Zone
- OP Driving School
- Mega Maze
- Cool Hoops
- Bumper Boats
- Japanese Temple Bell
- Pedal Boats
- 1 sit-down restaurant
- 1 gift shop
- 213 slip marina

Mainland

Public parking (capacity of 1,800 cars); 37-slip marina.