



 ontario place

2008 Annual Report

for the year ending December 31, 2008

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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 Peter Fonseca, Minister – Ontario Ministry of Tourism
 The Honourable Monique M. Smith, Minister – Ontario Ministry of Tourism
 Printed by the Order of the Legislative Assembly of Ontario



Our Vision

Ontario Place is a year-round waterfront entertainment and recreational village that reflects the culture and values of Ontario.

Our Mission

Our mission is to create compelling, diverse and cultural experiences in a unique setting.

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 April 29, 2008 to April 28, 2009
Linda Franklin	May 7, 2003 to May 6, 2006 October 5, 2006 to October 4, 2009
Joe Halstead, Chair (A)	June 1, 2005 to May 31, 2008 June 1, 2008 to May 31, 2011 Acting Chair as of June 23, 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 June 6, 2008 to June 5, 2011
Wanda Richardson	July 9, 2008 to July 8, 2011
David Lindsay, Deputy Minister	Ex-Officio September 2006 to January 2008
Michael Kurts, Deputy Minister (A)	Ex-Officio January 7, 2008 to January 11, 2008
Philip Howell, Deputy Minister	Ex-Officio January 14, 2008 to December 2008

Senior Management

Jonathan Daley	General Manager (A) January to March Director of Corporate Affairs & Guest Services
Gary Commeford	General Manager (A) April to June
John Tracogna	General Manager June to December
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
Chuck Thibeault	Director of Resale & Group Sales (A)

Corporate Sponsors

Ontario Place gratefully acknowledges the support of our sponsors:

Baskin Robins	Mattel Canada Inc.
Canada Dry	Mercury Marine Ltd.
Center for Education & Training	Molson Canada
Coca-Cola Company	Nestle Waters
Gallo Estates	Pizza Pizza Ltd.
Hudson's Bay Company	Roger's Communications Inc.
Home and Garden Television	Sony Playstation
Intercontinental Hotels	Subaru Canada
Mandarin Restaurants	Tracker Marine Group

Promotional Partners

2001 Audio Video	Ming Pao Newspaper
680 News	Ministry of Tourism (Fun Pass)
92.5 JackFM	Mix 99.9
97.3 EZ Rock	Multicom Media
Airmiles	OMNI
Attraction Ontario	Sing Tao Newspaper
Burnbrae Farms	TicketOPS
Canwest Global	Today Daily News
CFTO	Today's Parent
City Parent	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
McDonald's	

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 2008:



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)
Waterfront Toronto

Chair's Statement



The year 2008 was a year of change. It saw the implementation of a new three-year refurbishment strategy and a change in senior management. The strategy was developed for the 2008 - 2010 Business Plan; it would see the refurbishment of the parkland and provide Ontario Place with an annual operating subsidy of \$5M from the Ministry of Tourism for the next three years. As part of this new strategy the Vision and Mission statements were updated. It also saw the last year of the three-year run for the beautiful Rogers Chinese Lantern Festival, which attracted close to 450,000 unique visitors.

The three-year refurbishment plan identified priorities for areas of improvement in order to develop a Master Plan. This Master Plan seeks to transform Ontario Place into a village that welcomes guests of all ages with a seamless transition of gardens, landscaped walkways and water vistas as well as its recreational and entertainment experiences.

Taking a phased approach, the priorities of the plan are the following:

- Refurbish and improve existing infrastructure to ensure structural sustainability over the long term.
- Landscape and beautify the grounds.
- Increase the environmental sustainability of the facility through the use of green technologies and other activities.

The following principles will guide Ontario Place as it upgrades the infrastructure, landscapes the grounds and pushes forward with green technologies:

- Safety, quality and compliance will always take precedence.
- Guest and staff satisfaction is paramount.
- Programs and entertainment activities must generate a sustainable revenue flow.

In order to fulfill the strategy as described above, the Board of Directors and senior management worked with the Ministry of Tourism on a submission for a reinstatement of an operating grant. The grant was approved for three years with an increase from prior years to ensure greater capabilities of meeting the objectives of the 2008 - 2010 Business Plan.

With the start of a three year plan of refurbishment, senior management began the work to identify and implement all health and safety items such as bridges, ramps, docks, etc.

In the summer of 2008 Toronto experienced the greatest amount of rainfall in 70 years, which attributed to a decrease in park admission revenue by 13% to \$7.3M from \$8.4M in the previous year. The Molson Amphitheatre saw an increase by 84% from \$664K in 2007 to \$1.2M due to the popularity of the concert line-up in 2008.

Overall, Ontario Place experienced a net loss of \$3.395M after amortization and the accrued liability for property tax.

The spring of 2008 marks the end of my term as Chair of the Board of Directors. I thank my Board colleagues and the dedicated staff for their support during my term.

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 2008 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, 2008.

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



2008 Objectives and Results

1. To increase the rate of satisfaction of its customers.

In 2006 the guest satisfaction rate for the core summer months was 82%. That increased by 4% in 2007 to 86%. Ontario Place's plans for 2008 are to improve its guests' satisfaction rate to 90%. To do that, Ontario Place will add seasonal staff to keep its facilities clean and to maintain the parkland. In addition, Ontario Place will put more entertainment in the park on business days and Heritage Days to engage its customers, giving them more value for their dollars.

The 2008 guest satisfaction rate reached 95% during the core summer season, which was 5% better than the original objective. Entertainment was added in existing venues, on the busiest days. This increased the in park atmosphere and also bolstered Heritage Day's entertainment. We focused on local groups in addition to our typical offerings and started a roving mascot (Billy & Buster) program. All of our efforts started to show a positive effect on our guest's perception in value for dollars spent.

2. To provide entertaining and engaging programs and attractions

For 2008, Ontario Place continued to build on its strengths, such as the attractions and entertainment that comprise the successful "Kids Just Wanna Have Fun" program. In addition, Ontario Place brought back the spectacular Rogers Chinese Lantern Festival for the third year and continued to develop partnerships to build awareness of this event.

New for 2008, Ontario Place increased its site atmosphere through animation and new offerings. This produced a pleasing experience for our guests during events such as the Canada Dry Festival of Fire, Rogers Chinese Lantern Festival, Salsa Festival and Portuguese Festival, to name a few.

In 2008, the Mega Maze attraction began redevelopment into the Wild World of Weather exhibit.

3. To engage its staff members and tighten their connection to Ontario Place's objectives and its customers.

The majority of the staff members of Ontario Place work from early May to early October when the park is in full swing.

Improvements were made to training sessions and staff manuals. Staff at all levels were provided with information right out of the Business Plan. As well, improvements were made to the Daily Info Sheet in order to make sure staff was updated every day on park operations.

4. To bring the infrastructure of Ontario Place up to standard.

In 2008, Ontario Place will systematically invest in its infrastructure to bring the physical plant, including roofs, bridges and walkways to provincial safety standards. Ontario Place has earmarked funds to start work on the high priority areas in early in 2008.

This included structural improvements to the Cinesphere ramps, steel structure of the PODs, as well as the upgrade to the electrical systems of the South Marina docks and a resurfacing of Bridge #5.

In response to its guests' feedback, Ontario Place will upgrade the washrooms, which will be completed for opening season 2009.

5. Ontario Place will continue work on its Go Green program in 2008. The program, working with an external committee, will help Ontario Place to reduce its environmental footprint by improving its existing practices and by increasing the use of technologies and materials that are energy efficient and cut emissions of greenhouse gases.

Some of the initiatives included:

- Retail outlets began using only biodegradable bags in all locations.
- The corporate staff manual being made available on-line, saving 200,000 pieces of paper.
- Online Workplace Hazardous Materials Information System (WHMIS) quiz on the Human Resources website saving 4000 pieces of paper.
- Using 100% biodegradable bags for all our landscaping needs and garbage bins.
- Using 100% biodegradable environmentally friendly cleaning products.
- Using 100% biodegradable soap in all our washroom facilities.
- Marketing materials are being printed on Forest Stewardship Council (FSC) approved paper. FSC is an international organization that brings people together to find solutions which promote responsible stewardship of the world's forests. It accredits independent third party organizations who can certify forest managers and forest product producers to FSC standards.
- Joined Recycling Council of Ontario.

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 our 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 2008. On-site interviews at Ontario Place were conducted over two periods: wave #1 – June 16 - 20, 2008, and wave #2 – August 4 - 8, 2008. In addition, Ontario Place conducted in-house exit surveys daily, from May 3, 2008 to October 12, 2008.

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 50 minutes to 4.8 hours*
- 46% (down from 47%) of guests were 18 years of age or younger.*
- The average household income of the Ontario Place guest in 2008 was \$92,400 (up from \$86,400 in 2007)*
- 53.1% (up from 52% in 2007) of Ontario Place visitors reside within the GTA and suburbs; 39% of visitors (down from 41% 2007) reside in Ontario; 1.4% (down from 3% in 2007) reside in the rest of Canada while 3.8% (up from 3% in 2007) reside in the U.S.* 3.8% (up from 2% in 2007) also state coming from another country.
- Ontario Place is a family destination, the average group size being 4.5 (from 4 in 2007).*
- 72% (up from 57% in 2007) of Ontario Place guests are repeat visitors*
- 94.1% (up from 81% in 2007) of Ontario Place guests rated the Play All Summer Pass “value for money”**
- 87% (up from 74% in 2007) of guests would recommend Ontario Place**

Source: *Northstar Research Partners, “Visitor Satisfaction Exit Survey”, 2008
 **Ontario Place exit surveys, 2008

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, on-site repair and 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 and 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 and private functions.



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 2008 concert season was 306,046 (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:



John Tracogna
General Manager



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, 2008 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, 2008, 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 24, 2009



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

Ontario Place Corporation

Balance Sheet As at December 31, 2008

	2008 (\$ 000)	2007 (\$ 000)
ASSETS		
Current		
Cash	4,711	4,497
Accounts receivable	1,660	1,040
Inventory	179	170
Prepaid expenses and deferred charges	57	68
	6,607	5,775
Capital Assets [Note 3]	114,585	114,126
	121,192	119,901
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payables and accrued liabilities [Note 6(B)]	9,575	6,010
Due to the Province of Ontario	234	379
Deferred revenue	105	112
	9,914	6,501
Deferred Capital Contributions [Note 4]	16,188	15,524
Unspent Deferred Capital Contributions [Note 4]	1,932	1,371
Accrued Employee Severance Liability [Note 6(B)]	569	521
	18,689	17,416
Equity		
Invested in capital assets [Note 5]	98,404	98,602
Retained income	(5,815)	(2,618)
	92,589	95,984
	121,192	119,901

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, 2008

	2008 (\$ 000)	2007 (\$ 000)
Operating revenue [Schedule 1]	17,065	17,690
Administrative and operating expenses [Schedule 2]	(25,656)	(23,306)
Operating deficit before the following	(8,591)	(5,616)
Province of Ontario operating grants	5,394	2,469
Amortization of deferred capital contributions	1,624	1,287
Amortization of capital assets	(1,822)	(1,771)
	5,196	1,985
Province of Ontario Property Tax grant [Note 7]	–	9,400
Property tax expense for prior years [Note 7]	–	(9,400)
	–	0
Net loss for the year	(3,395)	(3,631)

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Statement of Changes in Equity For the Year Ended December 31, 2008

	2008 (\$ 000)			2007 (\$ 000)
	Invested in Capital Assets	Retained Income	Total	
Balance, beginning of year	98,602	(2,618)	95,984	99,615
Net income/(loss)	(198)	(3,197)	(3,395)	(3,631)
Balance, end of year	98,404	(5,815)	92,589	95,984

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Statement of Cash Flows For the Year Ended December 31, 2008

	2008 (\$ 000)	2007 (\$ 000)
Operating Activities		
Net loss for the year	(3,395)	(3,631)
Adjustments to net loss for items not requiring an outlay of cash		
· Amortization of capital assets	1,822	1,771
· Amortization of deferred capital contributions	(1,624)	(1,287)
Net loss/(gain) on disposal of capital asset	(1)	–
Net change in non-cash working capital	2,795	(340)
Accrued Employee Severance Liability	48	93
Cash generated from (used in) operating activities	(355)	(3,394)
Investing Activities		
Capital asset acquisitions – net	(2,288)	(2,838)
Capital assets sold	8	–
Cash used in investing activities	(2,280)	(2,838)
Financing Activities		
Capital grants received	2,849	2,905
	2,849	2,905
Increase in cash during the year	214	(3,327)
Cash, beginning of year	4,497	7,824
Cash, end of year	4,711	4,497

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, 2008

	2008 (\$ 000)	2007 (\$ 000)
Schedule 1		
Operating Revenue		
Admissions	7,341	8,442
Parking	2,388	2,370
Sponsorship revenue [Note 8]	2,112	1,828
Retail sales and catering	1,532	1,845
Amphitheatre	1,227	664
Concessions and facility rental	1,023	1,045
Marina	813	760
Other revenue	257	281
Cinesphere revenues	207	209
Interest income	165	246
	17,065	17,690
Schedule 2		
Administrative and Operating Expenses		
Salaries and wages	8,046	7,727
Employee benefits [Note 6]	1,260	1,079
Advertising [Note 8]	4,907	3,699
General and administration [Note 7]	3,963	3,606
Programming and entertainment	1,660	1,287
Site maintenance	1,396	1,370
Utilities	1,103	1,132
Supplies	1,001	1,051
Cost of retail sales and catering	973	945
Janitorial	641	685
Transportation and communications	502	483
Other	204	242
	25,656	23,306

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Notes to Financial Statements
December 31, 2008

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 enters into a number of licence, ground lease and special event agreements with various private-sector companies.

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, 2008

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.

(F) NON-MONETARY TRANSACTIONS

In the course of business the Corporation enters into non-monetary transactions under which goods and services are acquired in exchange for advertising services. Non-monetary transactions are measured based on fair market value when there is evidence to support the fair value. When the transaction lacks commercial substance, the contract or carrying value is used.

The Corporation had non-monetary transactions during the year ended December 31, 2008. These transactions were material in nature and disclosed in Note 8.

Ontario Place Corporation

Notes to Financial Statements
December 31, 2008

3. Capital Assets

Capital assets consists of the following:

	2008 (\$ 000)			2007 (\$ 000)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land, waterlots	101,660	–	101,660	101,660
Buildings	11,630	4,144	7,486	7,102
Attractions	8,832	4,635	4,197	4,354
Equipment, fixtures	2,699	1,486	1,213	959
Computer equipment	66	37	29	51
	124,887	10,302	114,585	114,126

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:

	2008 (\$ 000)	2007 (\$ 000)
Balance, beginning of year	16,895	15,277
Amount amortized to revenue	(1,624)	(1,287)
Capital grants received	2,849	2,905
Balance, end of year	18,120	16,895

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. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU-PF, determines the Corporation's annual payments to the funds. 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 \$269,873 (2007 - \$243,266), and is included in employee benefits in the Schedule of Administrative and Operating Expenses.

Ontario Place Corporation

Notes to Financial Statements
December 31, 2008

6. Employee Benefits (Continued)

(B) NON-PENSION BENEFITS

The cost of unused vacation and earned legislated severance entitlements are accrued for in the financial statements. Amounts due within one year are included in accounts payable and accrued liabilities.

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.

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. Since then, the Corporation has received revised property tax bills totalling as follows:

- \$4,290,267 for the years from 2001 to 2007 and a further \$801,492 in 2008 for the taxable portion of property occupied by concessionaires.
- \$11,783,490 for the years from 2001 to 2007 and a further \$2,404,843 in 2008 for taxes for property occupied by the Corporation.

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

Corporation's Recognized Property Tax Liability for Premises Occupied

Year	Property Tax Billed to Concessionaires	Corporation's Recognized Property Tax Liability for Premises Occupied by Concessionaires	Total
Billed for Concessionaires Occupied Property			
2001 - 2007	2,304,696	1,985,570	4,290,266
2008	438,509	362,983	801,492
Sub-total	2,743,205	2,348,553	5,091,758
Billed for Ontario Place Occupied Property			
2007 - re 2001 - 2007			11,783,490
- 2008			2,404,843
Sub-total			14,188,333
Total			19,280,091
Paid			11,265,374
Accrued Liability as at December 31, 2008			8,014,717

Ontario Place Corporation

Notes to Financial Statements
December 31, 2008

7. Liability For Property Taxes (Continued)

The amounts billed were 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 and appealed the tax assessments to the Assessment Review Board.

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 above-mentioned \$9.4 million plus the amounts received from its concessionaires. This payment was made without prejudice to Ontario Place's ongoing appeal of its property tax assessment.

A settlement in principle was reached in 2009, but the agreement had not been ratified by Toronto City Council by the time these financial statements were finalized. Therefore, the Corporation accrued for the rest of the property tax liability.

8. Non-Monetary Transactions

The Corporation 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
Kidomo Inc.	Live Kids Entertainment	Contract value
Toronto Star	Advertising	Contract value
Tricon Television21 Inc.	Landscaping	Fair market value
Today's Parent	Advertising	Fair market value
680 News	Advertising	Fair market value

Approximately \$1,224,000 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

ELECTRICAL TRANSFORMERS

There is federal legislation requiring the end of use of PCB-cooled transformers by December 31, 2009. PCB is toxic oil used as coolant in four of the transformers used by the Corporation. The estimated cost of replacing the transformers is \$1.2m, excluding any civil work needed to remove the old transformers and install the new ones which is estimated at \$200,000. Funding has been made available by the Ministry of Tourism under the compliance budget.

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, 2008:

- Ontario Place employed 55 full-time staff during the park's peak operating season, 24 seasonal and year-long contract employees; and approximately 541 students, recruited primarily from High School and Ontario Colleges and Universities.
- On-site concessions provided employment for approximately 400 additional students and youth in 2008.

Employees that were paid \$100,000 or more in 2008

Marsha O'Connor, Director of Finance & Administration	\$115,203.00
Keith Brown, Director of Operations	\$113,500.39
Joe Tavares, Director Of Maintenance & Construction	\$110,876.29
Terry Caddo, Director of Marketing	\$101,031.04

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
- Power Wheels Track
- First Flight
- Freefall
- Cyclone Speedway
- Super Slide
- 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
- Eco Zone (30 seat) motion simulator ride
- The Go Zone
- OP Driving School
- Cool Hoops
- Bumper Boats
- Japanese Temple Bell
- Pedal Boats
- 1 sit-down restaurant
- 1 gift shop
- 213 slip marina



Mainland

- Public parking (capacity of 1,565 cars)
- 37-slip marina