

The Niagara Parks Commission



PRESERVING THE PAST, PREPARING FOR THE FUTURE





The Refectory 1927

Victoria Park Restaurant 2001

Niagara is a region steeped in history and blessed by geography. As steward of one of the world's greatest natural wonders, The Niagara Parks Commission (NPC) plays a major role in maintaining, protecting and showcasing the Falls' grandeur, while contributing to the economic growth and success of Niagara.

As a self-funded agency of the provincial government, NPC is responsible for the maintenance of over 1,700 hectares of parkland, stretching some 56 kilometres along the Niagara River corridor from Lake Erie to Lake Ontario.

Our mission remains the same as it was in 1885, to preserve and enhance the natural beauty of the Falls and the Niagara River corridor for the enjoyment of visitors while maintaining financial self-sufficiency.



An agency of the Government of Ontario

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Historic Photos from The Niagara Parks Collection

Chairman's Statement: Preserving the Past, Preparing for the Future



Chairman Brian E. Merrett

The history of The Niagara Parks Commission (NPC) can be traced back 116 years when the Legislature of Ontario had the foresight to create this public park out of 154 acres of property located alongside the Canadian Horseshoe Falls.

When this Park was first established, the government of the day determined that it would be operated in accordance with two general principles. They were regarded as indispensable conditions of who we were and how we would operate, some 100 years later.

The first principle was that the Park would not become a permanent financial burden on the Province. The Park would operate in a self-supporting manner, while adhering to a second principle of free access into the Park for all those who wished to enjoy its splendour.

Today NPC operates North America's most completely maintained Parks system, with 1,720 hectares (4,250 acres) of parkland and 56 kilometres of recreational trail following the Niagara River from Lake Erie to Lake Ontario. And, as was the case in 1885, the use of all our Parks and recreational trails remains free for all those who wish to enjoy them.

As the theme of this year's Annual Report suggests, our adherence to the past is tempered only by our thoughts and plans for the future. In fact, as we sat down to prepare our three-year business plan, NPC concluded that a bold new vision of the future was needed.

It is a vision that respects our environment and history, while recognising the need for future growth if we are to remain a strong and relevant player in Ontario's vibrant tourism industry. It is a vision that calls on NPC to

become "Canada's premiere 'Nature Park', delivering world class visitor experiences and providing that special place where people will be enriched by experiencing the natural environment and historic past of Niagara Falls."

To accomplish this, a number of new plans and strategies have been devised and will be implemented over the course of the next several years. It is part of our overall plan to fulfill our Ministry's expectation and challenge to us – to operate in a more effective, efficient and entrepreneurial way.

At the same time, providing that special place where people from all over the world can gather, is still what we are all about. As a self-funded agency of the provincial government, we are proud to showcase Niagara to the world. Niagara is a meeting place. A place where the world gathers as one to enjoy the historical richness, beauty and attractions this region has to offer. We cannot and will not forget this, as we move forward in preserving and enhancing this Parks system for future generations.

Our plans for the future honour our past while seeking to make NPC a catalyst for economic growth, job creation and stronger communities here in Ontario

As a cultural gathering place, NPC was shocked and saddened by the tragic events that took place on the morning of September 11th, 2001. In an instant, the sense of innocence in which we viewed our world changed forever. Our thoughts and prayers go out to all those who were affected by the horrors and evil witnessed that day.

As you will note in the next several pages, our plans for the future honour our past while seeking to make NPC a catalyst for economic growth, job creation and stronger communities here in Ontario.

This is a challenge and responsibility we take quite seriously. Niagara is our home, and the impact and influence we have will never be taken for granted. For example, we are extremely proud of our work with local social service agencies such as the United Way of Niagara, The Ontario March of Dimes, John Howard Society, N-Tec, Niagara Support Services and the Head Injury Association.

NPC is also proud to partner with several educational institutions in our community including Brock University, Niagara College,

Westlane Secondary School and Fort Erie Secondary School. These partnerships cover such things as co-op placements and job-shadowing experiences for area students, who one day could become our future employees.

Economically, NPC's impact and influence is far-reaching. NPC contributes nearly \$100 million to the GDP of the Ontario economy, with over three-quarters of this occurring here in the Niagara region. In terms of jobs, we employ over 1,540 seasonal as well as 320 year-round staff. This is an increase of 25 new full-time and 45 part-time and seasonal positions from the previous year.

NPC employment alone is responsible for circulating approximately \$32 million back into the Niagara economy, while sales of NPC goods and services returns approximately \$4.1 million in retail sales tax revenue back to the provincial government.

Our contributions are many and varied both in terms of our work within the community, and in regard to our economic impact. As

Chairman of The Niagara Parks Commission, I am proud of what we have achieved and I am excited over what the future holds in store.

Of course, none of what we accomplished would have been possible if not for the hard work and devotion of our Commissioners and loyal staff. I thank them all for their dedication and efforts, and I look forward to working with them in the years ahead.

I invite you to take the time to examine this Annual Report, "Preserving our Past, Preparing for the Future." As well, please consider this report our open invitation to you, to experience all that Niagara Parks has to offer.

Yours sincerely,

A handwritten signature in blue ink, reading "Brian E. Merrett". The signature is fluid and cursive, with a large initial "B" and "M".

Brian E. Merrett
Chairman, The Niagara Parks Commission

The Team – 2001



Front row, left to right:

John A. M. Kernahan,
General Manager

Larry Boese,
Commissioner
Appointed August 1, 1997
Term expires July 31, 2003

Archie Katzman,
Vice Chairman
Appointed October 24, 1981
Term expires October 23, 2002

Joan-Marie Brunt,
Commissioner
Appointed August 1, 1997
Term expires July 31, 2003

Brian E. Merrett,
Chairman
Appointed December 10, 1997
Term expires December 9, 2003

Anna T. Corfield-Tartaglia
Commissioner
Appointed August 1, 1997
Term expires July 31, 2003

S. Wayne Thomson
(City of Niagara Falls Representative)
Commissioner
Appointed December 1, 1994
Term expires November 30, 2001

Donna Lailey,
Commissioner
Appointed May 20, 1996
Term expires May 19, 2002

Wayne Redekop,
(Town of Fort Erie Representative)
Commissioner
Appointed December 1, 1997
Term expires November 30, 2001

Back row, left to right:

Gary F. Burroughs,
(Town of Niagara-on-the-Lake Representative)
Commissioner
Appointed December 1, 2000
Term expires November 30, 2001

Kenneth R. Green,
Commissioner
Appointed May 20, 1996
Term expires May 19, 2002

Marvin Kriluck,
Commission Solicitor

Robert F. Brooker,
Assistant General Manager & Sr. Dir.
Corporate Services

Bob Saracino,
(Regional Municipality of Niagara
Representative)
Commissioner
Appointed December 1, 2000
Term expires November 30, 2001

Absent:

Frank B. Leslie
Commissioner
Appointed June 30, 2000
Term expires June 29, 2003

Following the formation of the new Ministry of Tourism, Culture & Recreation in February 2001, Minister Tim Hudak challenged his ministerial agencies to become catalysts for economic growth, job creation and stronger communities here in Ontario.

NPC employment alone is responsible for the circulation of approximately \$32 million back into the local economy

This then became our challenge as we headed into the 2001 tourism season. At first the numbers were encouraging. In fact, a University of Waterloo study commissioned by NPC found our contributions to the Ontario economy (2000-2001) to be quite substantial. The report found Niagara Parks contributed nearly \$100 million to the Gross Domestic Product (GDP) of the Ontario economy, with over three-quarters of this occurring in the Niagara region.

Ministry studies also showed the Province was poised to celebrate a successful tourism season in 2001. Between the months of January and June, Ontario experienced an 8 per cent increase in overnight border crossings from U.S. visitors. This represented an increase of 3.4 million visitors to the Province, as compared to the year before.

As a result, NPC's operations and revenues were starting to reflect this general increase in visitation. Then the tragic and unforeseen circumstances of September 11th occurred. Almost immediately NPC revenues, which at the time were running 5.7% higher than 2000, dropped by approximately 30%, resulting in a loss of revenue to the Commission estimated at close to \$3 million. In the Niagara Falls market alone, over 144,500 pre-booked room reservations were cancelled during the months of September and October.

As a result, provincial tour operators and NPC began working immediately with the government as it moved to invest an additional \$14 million in "Discover Ontario" destination marketing programs. NPC and its tourism hotel partners also joined in, launching a \$100,000 co-op print

(newspaper) campaign in the Toronto area, to try and draw potential visitors back to the Niagara region.

Despite the tragic events, NPC revenues and operations, while down from original forecasts, still provided excellent examples of the economic impact and influence we have both on this region and the Province.

For example, NPC employment alone is responsible for the circulation of approximately \$32 million back into the local economy, while in areas such as retail purchasing, NPC has invested over \$2 million or 26% of our total retail purchasing in Niagara based firms.

NPC also hosts over 15 major events and festivals at an annual investment of approximately \$1 million. Events include The Blossom Festival, Winter Festival of Lights, Casino Niagara International Marathon, Tastes of Niagara, and 32 Fireworks Over the Falls and Concert evenings. The majority of these events have free admission and represent the collective efforts of all our tourism partners to extend visitations to Niagara during our traditional and shoulder seasons.

In terms of marketing, Niagara Parks has achieved over \$1 million in media coverage this past year, solely from our promotion of the Blossom Festival and its events during the month of May. As well, with our work and expansion of

the destination golf concept, NPC has garnered favourable media coverage across North America for our plans and previews of Legends on the Niagara, our newest golf complex that is scheduled to open in the Spring of 2002.

Niagara Parks has worked hard at fulfilling the vision and challenge set out for us by Minister Hudak, and below you will find some of the highlights and statistics of the past year that reflect our influence and role as a catalyst in the region:

- In 2001, NPC employed approximately 1,540 seasonal and 320 year-round staff; circulating \$32 million back into the Niagara economy;
- NPC revenues for 2001 exceeded \$77 million;
- Gross receipts for the year were up over \$700,000 when compared to the previous fiscal year;
- Attendance figures at our attractions, museums and golf courses, while down, still reached 5,132,493;
- In 2001, NPC spent over \$2.5 million on the marketing and promotion of both Niagara and Niagara Parks, as a world class year-round tourism destination;
- This past fiscal year NPC remitted \$4.1 million to the Province in Retail Sales Tax;
- NPC provided grants in lieu of taxes to our adjoining municipalities (City of Niagara Falls, Town of Niagara-on-the-Lake, Town of Fort Erie) totalling close to \$900,000 in 2001;
- NPC Group Sales, while down almost 7% due to the tragic circumstances surrounding September 11th, still reached \$2.5 million for the year.

Scenic Tunnel Lookout 1932

Journey Behind The Falls 2001





Queen Victoria Park Perennial Garden 1929

Botanical Gardens 2001

Since 1885, The Niagara Parks Commission has served as guardian over the vast parks system extending along the Niagara River from Lake Erie to Lake Ontario.

As we move forward in our second century of operation, our challenge both organizationally and operationally is to effectively manage the sense of balance that is required of us in our preservation and economic development roles.

As guardian of a national trust, NPC is mandated to preserve and commemorate the historical, cultural and environmental significance of the Niagara River corridor. In fulfilling this important public mandate, NPC provides a myriad of public and community services and assumes an important stewardship role on behalf of various levels of government, and we do so at no cost to the taxpayers.

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In terms of our preservation and environmental initiatives, NPC has established an enviable record of land stewardship that is reflected in our very own Environmental Mission Statement (EMS).

EMS is founded on the principles of conservation, restoration, preservation, education, innovation and environmental management. Its goal is to, “improve environmental quality and sustainable development throughout the parks system for the benefit of visitors, employees and associates.”

NPC is also involved in several important projects that reflect our commitment to the natural environment and its sustainable development. One of these projects includes our implementation of a cohesive Moraine Management

Plan for Queen Victoria Park.

Also, as part of our overall development of the Legends on the Niagara golf complex, NPC implemented an Environmental Management Plan (EMP) covering more than 400 hectares of environmentally sensitive lands located along the upper Niagara River. The EMP is an extension of the Commission’s Environmental Mission Statement and the Commission’s accepted principle that a healthy and sustainable environment is in the best interests of all citizens.

NPC has also teamed up with the Ontario Ministry of the Environment to launch a ‘Spare the Air’ Emissions Reduction Program for the Parks. The program was designed to reduce unnecessary vehicle idling within our Parks sites, as well as to reduce the overall quantity of air emissions released into the atmosphere.

The results speak for themselves. Using a co-operative approach based on education and increased awareness, compliance reached almost 95%. Tour bus idling periods were reduced from an average of 60 minutes to less than 5 minutes and more importantly, significant reductions in air emissions were achieved. Estimated reductions in air emissions included: 1000 tonnes less carbon dioxide; 4 tonnes less nitrogen oxide; 8 tonnes less carbon monoxide; and one tonne less of volatile organic compounds being released into the atmosphere.

In terms of our work in the field of historic preservation, NPC has been officially responsible for heritage sites and properties located within

the Park system since 1890. It was in that year that our historic stewardship role first came to be when NPC purchased and agreed to maintain Queenston Heights Park, site of Brock’s Monument, which commemorates the nationally significant Battle of Queenston Heights.

In 1901, *Historic Fort Erie* was then added to our collection, and since that time additional historic sites and attractions have been obtained, developed and/or maintained by NPC on behalf of the people of Ontario.

Our most recent historical preservation initiative revolves around our development of the Legends on the Niagara golf complex near the historic Battle of Chippawa site. In 1995, the NPC assumed control over this War of 1812 battlefield site and its adjoining properties. These properties were the location of a historic battle that took place on July 5th, 1814. About 4,000 American, British and Canadian soldiers and their aboriginal allies took part in this hostile engagement, and by the time the battle was over, more than 800 men lay dead or wounded in the fields now protected by the NPC.

Today, *Chippawa Battlefield Park* is considered one of the most pristine battlefield sites east of the Mississippi River. Visitors are able to take self-guided tours of the site that have been developed by Donald Graves, Military Historian and expert on the Battle. The self-guided tours were launched in July of 2000 and since that time a new memorial cairn has been dedicated in honour of those fallen soldiers and warriors who are buried at the site.

A commemorative service is also held every July 5th, the anniversary date of the Battle. *Chippawa Battlefield Park* encompasses over 121 hectares (300 acres) of property along the upper Niagara River.

In previous years, NPC's focus, to a large degree, centred on the support and maintenance we provided to our traditional operations, sites and attractions.

However, in this highly competitive tourist industry, we need to continually re-examine and re-invigorate this position if we are to meet the expectations, challenges and changing needs of today's tourism clientele.

That is why NPC has undertaken significant marketing and visitor information studies to tell us more about what our visitors want and what they are looking for when they visit our sites and attractions. Taking these views into account NPC has begun to chart a new course for the future; one that will allow us to meet and exceed

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the expectations of our visitors, while continuing to position Niagara Parks as a strong and relevant player in Ontario's tourism industry.

As we move into the future, NPC has developed several new exciting plans and initiatives including our efforts at obtaining two architecturally significant and impressive power plant properties located within Queen Victoria Park. If obtained, the Toronto Power and Canadian Niagara Power generating stations will be restored to their original splendour then transformed into new interactive, entertaining and educational venues for our visitors' enjoyment.

As well, NPC continues to work with representatives from Ontario Power Generation (OPG) to investigate the possibility of re-establishing once popular interpretive tours at the Province's Sir Adam Beck 2 Generating Station, in Queenston.

Why have we done this?

Our visitors have told us they are looking for more interactive, entertaining and educational experiences. They want programs that focus on the Falls and they are looking for more unique nature experiences such as those offered at our extremely popular Butterfly Conservatory.

In response to this consumer demand, our Horticulture and Marketing Departments have been hard at work establishing a partnership

agreement with the organizers of the highly successful Mosaiculture International Montreal. Consequently, in the Spring of 2002, as part of an expanded Blossom Festival Celebration, NPC will be developing a new nature attraction called Mosaiculture Garden.

Our new Mosaiculture Garden will feature phenomenal designs and floral creations of a 3 dimensional format. Over 35 spectacular, larger than life creations, in ten Canadian themed collections, will be created in the Parks, at a site to be built next to NPC's existing Greenhouse facility.

In Montreal, they hosted over 1.5 million

visitors in 2000, by previewing these floral sculptures and designs from around the world. Mosaiculture also fits perfectly with our plans to expand the Blossom Festival and transform it into a season-long Spring Festival based on nature entertainment and highlighting the world-class interactive and educational experiences we have to offer.

But that's not all!

The planning, design and construction of our most ambitious project, Legends on the Niagara golf complex, continues to proceed at record pace. Legends is being constructed on over 250 hectares (700 acres) of land along the Niagara River. It will be home to a premiere 45-hole golf destination, rivalling and surpassing some of North America's finest golfing sites.

The complex will feature two 18-hole championship courses, *Ussher's Creek* and *Battlefield*, a complete golf teaching academy, a 9-hole short course, *Chippawa*, a 360-degree practice facility and an 18-hole putting course. A spectacular clubhouse has also been built beside a 19-acre man-made lake, to overlook and capture the spirit of this historic War of 1812 setting.

NPC has many plans for the future, yet these are just some of the highlights and projects that have been launched or undertaken this year in response to what our visitors have requested. In the end, the numbers tell the story. Adding new attractions and enhancing existing ones will create reasons for frequent visits and longer stays in Niagara. That's good news for Niagara and good news for The Niagara Parks Commission.

International Tournament Whirlpool Golf Course 1951

Whirlpool Golf Course 2001





1.

WINTER FESTIVAL OF LIGHTS
New Year's Eve celebrations



2.

SCHOOL OF HORTICULTURE GRADUATION AND AWARDS CEREMONY

The graduating class of 2001 was comprised of (from left to right): Mark Burkett, Matt Follett, Nathan Hamilton, Otto Hasilo, Robin Hill, Rob Shedden, Brooke Stark, Steve Van Lochem and Matt Zeldon.



3.

NPC AND NIAGARA COLLEGE HOST CULINARY CUP WINNERS



4.

NPC AND FORT ERIE SECONDARY SCHOOL: PARTNERS TOGETHER

Here NPC Chairman Brian Merrett and Fort Erie Secondary School Principal Mike Cockburn pose for photographs following the signing of this partnership agreement.

November 2000

WINTER FESTIVAL OF LIGHTS

Bigger and brighter than ever, the Winter Festival of Lights has become Niagara's official kick-off to winter. As a major Festival partner, NPC is home to several events and functions, including the ever-popular New Year's Eve celebration in Queen Victoria Park. (photo #1)

NPC'S HOLIDAY CELEBRATIONS

Over 14 new special programs and activities were planned by NPC for this year's Winter Festival of Lights. NPC's "Holiday Celebrations" at Table Rock provided a little something for everyone including informative programs designed for adults, to special appearances by Mad Science, Disney characters Mickey and Minnie Mouse, and TVO's Polkaroo and Dudley the Dragon.

December 2000

NPC CHILDREN'S CHRISTMAS PARTY

NPC staff and their families gathered on December 13th, for our annual Children's Christmas Party skate, held at Niagara Falls Memorial Arena. Over 200 children had the chance to skate and visit with Santa on this fun-filled day.

January 2001

NIAGARA FALLS CHAMBER OF COMMERCE BUSINESS AFTER 5:00 RECEPTION

In what has fast become an annual event, Chairman Merrett hosted this community gathering to share the Commission's plans for the future, in a speech entitled "Focus Forward."

March 2001

SCHOOL OF HORTICULTURE GRADUATION AND AWARDS CEREMONY

Saturday, March 24th was a day of celebration for the class of 2001, as these individuals received their long-awaited and well-earned NPC diplomas and graduating pins. (photo #2)

April 2001

RECORD SET FOR WORLD'S LARGEST EASTER EGG HUNT

On Saturday, April 14th Queen Victoria Park was hopping with activity as over 7,000 young people searched for 250,000 chocolate covered Easter eggs that were hidden throughout the Park. Special thanks go to the Niagara Hershey store for sponsoring this Guinness World Records' event, as well as the City of Niagara Falls, Niagara Falls Tourism and Canadian Niagara Hotels for their participation and help.

NPC AND NIAGARA COLLEGE HOST CULINARY CUP WINNERS

On April 25th, NPC Chairman Brian Merrett and Niagara College President Dan Patterson played host to three of Japan's top chefs who visited the Niagara Region as part of a learning holiday hosted by the Niagara Culinary Institute at Niagara College. (photo #3)

May 2001

BLOSSOM FESTIVAL CELEBRATIONS

Held over a two-week period in May, this Festival has become Niagara's official kick-off to spring. Highlights of this year's festival included the always popular Maid of the Mist Parade and a series of free concerts and fireworks displays, with performances from such stars as Michelle Wright, Colin James, Sas Jordan, Loverboy, Glass Tiger and Hall & Oates.

NPC AND FORT ERIE SECONDARY SCHOOL: PARTNERS TOGETHER

The Niagara Parks Commission and Fort Erie Secondary School established a "Partners in Education" agreement May 30th, 2001. This partnership was coordinated through the Business Education Council. (photo #4)

June 2001

75TH ANNIVERSARY OF TABLE ROCK HOUSE

On June 7th, Table Rock House celebrated its 75th Anniversary as a landmark facility within our Parks. The building, which has been restored and enlarged several times, plays host to approximately 14 million visitors a year, who come to view the Falls from this awe-inspiring location.

135TH ANNIVERSARY OF THE FENIAN RAIDS

On Saturday and Sunday June 23rd & 24th, the 135th Anniversary of the Fenian Raids was observed at *Historic Fort Erie*. Over the two days, the public had the opportunity to mingle with participants at this living history weekend, visit their encampments and witness the historic re-enactment of the Battle of Ridgeway that took place in 1866.

UNITED WAY STAFF PICNIC

The kick-off to NPC's fundraising drive started on June 29th, 2001 with a United Way staff barbeque and picnic. This past year NPC and its staff proudly contributed over \$56,000 to the United Way of Niagara.

July 2001

WHIRLPOOL GOLF COURSE MARKS ITS 50TH YEAR

One of Niagara's most outstanding golf courses celebrated its 50th anniversary in July. Designed by renowned golf course architect Stanley Thompson, Whirlpool was first opened on July 2nd, 1951. Since that time, Whirlpool has gone on to gain national prominence and stature by being named one of the top 100 golf courses in Canada, as ranked by *Score Golf Magazine*. (photo #5)

NIAGARA PARKS POLICE RECEIVE INTERNATIONAL ACCREDITATION

Becoming only the third police force in Ontario to obtain such designation, The Niagara Parks Police is proud to have received this designation from the Commission for Accreditation for Law Enforcement Agencies (C.A.L.E.A.). The Niagara Parks Police is one of seven police agencies in Canada and one of the smallest agencies to hold this international accreditation.

August 2001

NIAGARA PARKS 2001 STUDENT AWARDS

Niagara Parks awarded scholarships to seven of our summer student employees in recognition of their academic success, community involvement and work performance. (photo #6)

September 2001

NPC WRITERS' CUP

In a tournament designed to highlight our newest golf treasure, over 70 top international sports writers visited Niagara to preview our Legends on the Niagara golf complex. (photo #7)

FLAG RAISING CEREMONY IN COMMEMORATION OF 9/11

Niagara Parks led a flag-raising ceremony on September 22, 2001 at both Table Rock Complex and Whirlpool Golf Course, in recognition of the events of September 11, 2001. Members of the Niagara Parks, the Niagara Regional and the Ontario Provincial Police Services participated in the event, and helped raise the Ontario, Canadian and American flags. Our Chairman initiated this flag raising ceremony in honour of our American friends and to begin the process of healing and signal a return to normalcy both in our Park and our daily activities.

October 2001

NPC TEAMS WITH ESTÉE LAUDER TO RAISE BREAST CANCER AWARENESS

NPC Chairman Brian Merrett, Mrs. Evelyn Lauder and Mr. Leonard Lauder threw the ceremonial switch that lit Niagara Falls Pink, as part of Estée Lauder's Global Landmark Illumination Campaign. The worldwide campaign is designed to raise breast cancer awareness and to spread the message to women everywhere that early detection saves lives.

BATTLE OF CHIPPAWA CEREMONY

On October 12th, 2001, Tim Hudak, Ontario's Minister of Tourism, Culture & Recreation joined Chairman Merrett and several other dignitaries, including renowned Canadian author Pierre Berton, in the official dedication of the Chippawa Battlefield Memorial Cairn. This special project was initiated as part of NPC's responsibilities and commitment in the field of historical preservation. (photo #8)



WHIRLPOOL GOLF COURSE MARKS ITS 50TH YEAR



NIAGARA PARKS 2001 STUDENT AWARDS

Pictured with Chairman Merrett are this year's recipients (left to right): Lindsay Wallace, Joan Climie, Heidi Hoeschle, Jennifer Woodruff, Patricia Oszczypiek, Katie Angle and Peter Nicholson.



NPC WRITERS' CUP

Pictured above, Chairman Merrett poses for a photo with several of the journalists who arrived to play at Legends.



BATTLE OF CHIPPAWA CEREMONY

NPC Chairman Brian Merrett and Ontario's Minister of Tourism, Culture & Recreation Tim Hudak at the official dedication of the Chippawa Battlefield Memorial Cairn.

Key partnerships have been formed to share the responsibility for the future success and development of our region. The following organizations are all important parts of our team:



Community Partners:

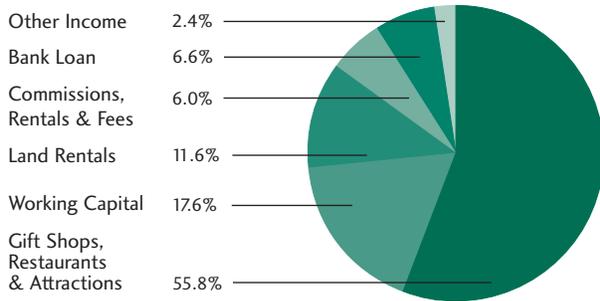
Niagara Falls Chamber of Commerce, United Way, Greater Niagara General Hospital, Niagara-on-the-Lake Chamber of Commerce, Project S.H.A.R.E., Greater Fort Erie Chamber of Commerce, Niagara College, Brock University, Westlane Secondary School, Fort Erie Secondary School, New York State Parks, Mackenzie Heritage Printery Volunteer Group, Niagara Peninsula Conservation Authority, Niagara Falls Bridge Commission.

Special Event Partners:

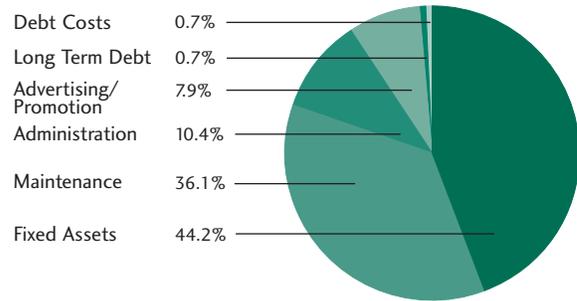
Maid of the Mist Steamboat Company Limited, Winter Festival of Lights, Niagara Grape and Wine Festival, Tastes of Niagara, Fallsview BIA, COGECO Cable, Marineland, Friendship Festival, CH Television, Casino Niagara, Canadian Niagara Hotels, Niagara Classic Golf Tournament, HOCO Ltd., Toronto Star, Sentineal Horse Carriages, Clifton Hill BIA, Skylon Tower, Secret Garden Restaurant, Niagara Falls, New York Convention and Visitors Bureau.

Also in 2001, NPC launched a program targeting key corporate partners to assist NPC in the promotion and support of events and advertising initiatives in return for partnership benefits. Our current corporate partners include Coca-Cola, Kodak, AT&T, and Nestlé Canada.

Where Commission Dollars came from



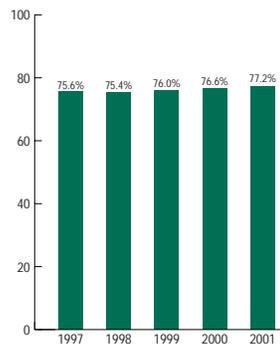
Where Commission Dollars went



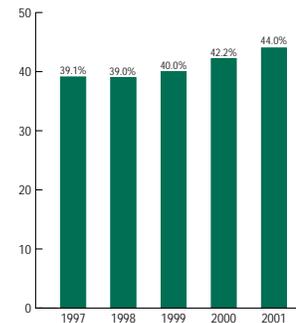
Comparative Performance - Gift Shops, Restaurants, and Attractions

	2001	% of sales	2000	% of sales
Income	\$ 68,137,118	100.0	\$ 67,403,129	100.0
Cost of Goods Sold	15,539,056	22.8	15,772,037	23.4
Gross Profit	\$ 52,598,062	77.2	\$ 51,631,092	76.6
Operating Expenses including Depreciation	29,947,690	44.0	28,465,449	42.2
Net Income before Administrative Overhead	\$ 22,650,372	33.2	\$ 23,165,643	34.4

The above schedule indicates that the Commission has performed very well in purchasing goods for resale. Of significant note is the favourable increase in gross profit percentage over the past five years.



The increase in operating expenses for 2001 includes the cost of the Legends on the Niagara pre-opening expenses of \$ 1.9 million. Operating expenses for the past five years as a percentage of total sales are as follows:



These percentages provide a guideline only as to the control of operating expenses and are affected by such factors as sales volume, wage increases, unusual maintenance expenditures, etc.

Attraction Attendance

Attendance - Attractions, Golf Courses and Museums

	2001	2000	Increase or (Decrease)
McFarland House	6,578	9,493	(2,915)
Laura Secord Homestead	13,075	14,242	(1,167)
Mackenzie Heritage Printery	8,421	9,385	(964)
Butterfly Conservatory	559,437	576,849	(17,412)
Whirlpool Golf Course	42,471	44,436	(1,965)
Spanish Aero Car	215,701	231,155	(15,454)
Great Gorge Adventure	162,698	212,067	(49,369)
Maid of the Mist Elevator	1,761,598	1,938,231	(176,633)
Journey Behind the Falls	1,099,256	1,106,302	(7,046)
Falls Incline Railway	753,109	637,572	115,537
Greenhouse - Queen Victoria Park	206,626	276,064	(69,438)
Oak Hall Par 3 Golf Course	13,561	13,646	(85)
People Movers	* 255,741	484,896	(229,155)
Historic Fort Erie	34,221	33,511	710
Total	5,132,493	5,587,849	(455,356)

* Transportation From Rapids View To Table Rock Not Included

Parking Lots - Number of Vehicles

Rainbow Bridge Parking Lot	14,157		14,157
Falls Parking Lot	442,935	432,887	10,048
Greenhouse Parking Lot	33,917	36,022	(2,105)
Rapids View Parking Lot	69,807	67,911	1,896
Total	560,816	536,820	23,996

Statement of Capital Expenditures

for the year ended October 31, 2001

Roadways, Bridges and Park Areas

McFarland Park - Bridge Replacement	85,055
Maid of the Mist - Ticketing/Landscape	228,054
Dufferin Islands - Bridge Reconstruction	167,435
Frenchman's Creek - Bridge Repair	593,202
	1,073,746

Power and Water Distribution Systems

Parkway Storm Sewers - Clifton To Hiram Street	104,345
Maid of the Mist - Replace Hydro Switchgear	39,857
Queen Victoria Park - Tree Lighting Upgrade	63,709
Queen Victoria Park Hydro - Duct Bank TR to VPR	35,266
Queen Victoria Park Traffic Signals - Controller	40,678
	283,855

Historical Structures and Sites

Chippawa Battlefield Development	43,272
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Other Park Buildings

Queenston Heights Park Workshed - Roof	28,826
Police Building - Roof Repairs	25,698
Police Building - Replace Chillers	34,104
Dufferin Islands - Public Washroom/Vending Renovations	94,998
Marina Washrooms - Renovations	67,884
	251,510

Revenue Producing Facilities

Butterfly Conservatory - Extend Misting System	20,079
Feather In The Glen - New Roof	31,538
Aero Car - Ticket Area Improvement	35,662
Aero Car - Maintenance Platform	66,882
Table Rock House - Waste Enclosures	275,065
Journey Behind The Falls - Ticket Area Expansion	57,155
Journey Behind The Falls - Signage Upgrade	86,433
Queenston Heights Restaurant - Waste Area Enclosure	24,085
Queenston Heights Restaurant - Washrooms/Lobby Renovations	67,032
Botanical Gardens Café - New Roof	49,253
Maid of the Mist Restaurant - Interior Decoration	10,514
Maid of the Mist Restaurant - Non Slip Kitchen Floor	18,924
Table Rock Fast Food - Pizza Café	58,660
McFarland House - Boiler Replacement	13,510
Whirlpool Golf Course - Clubhouse Offices	32,051
Whirlpool Golf Course - Pro Shop HVAC	19,369
Whirlpool Golf Course - Food Service Renovations	10,142
Legends Golf Course - Irrigation	3,100,000
Legends Golf Course - Maintenance Yard Employee Building	270,000
Legends Golf Course - Maintenance and Storage Building	354,000
Legends Golf Course - Chemical Storage Building	80,000
	4,680,354

Total Capital Works	6,332,737
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Equipment and furnishings	2,199,458
Automobiles and trucks	435,288
Capital works in progress expenditures	11,172,832
Total Capital Expenditures	20,140,315



Niagara Parkway at Table Rock 1925

Table Rock and Niagara Parkway 2001

To The Niagara Parks Commission, the Minister of Tourism Culture & Recreation and the Provincial Auditor Auditors' Report

Pursuant to the Niagara Parks Act which provides that The Niagara Parks Commission, an agency of the Crown, shall be audited by the Provincial Auditor or an auditor designated by the Lieutenant Governor in Council, we have audited the balance sheet of The Niagara Parks Commission as of October 31, 2001 and the statements of operations, equity and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as of October 31, 2001, the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Crawford, Smith and Swallow
Chartered Accountants LLP
January 18, 2002, Niagara Falls, ON

Management Report

The accompanying financial statements are the responsibility of the management of The Niagara Parks Commission.

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting policies. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Commission maintains a system of internal accounting and administrative control that is designed to provide reasonable assurance the financial information is relevant, reliable and accurate and that the Commission's assets are

properly accounted for and adequately safeguarded.

The appointed Commission is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Commission meets periodically with management to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities.

The financial statements have been audited by Crawford, Smith and Swallow Chartered Accountants LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Commission, the

Minister of Tourism, Culture & Recreation and the Provincial Auditor. Crawford, Smith and Swallow Chartered Accountants LLP has full and free access to the Commission.

John A. M. Kernahan
General Manager
January 18, 2002

Robert F. Brooker
Assistant General Manager and Senior Director,
Corporate Services
January 18, 2002

Balance Sheet

as at October 31, 2001

STATEMENT 1

Assets	2001 \$	2000 \$
Current Assets		
Cash	1,493,614	9,596,381
Accounts receivable		
Land rent	2,350,056	1,567,878
Sundry	1,779,690	1,620,829
Inventories		
Saleable merchandise	3,568,438	3,559,094
Maintenance and other supplies	1,203,010	1,157,560
Prepaid expenses	121,029	241,642
	10,515,837	17,743,384
Fixed Assets - note 2	136,076,447	121,695,208
	146,592,284	139,438,592

Liabilities and Equity

Current Liabilities		
Bank loan	3,000,000	
Accounts payable	9,304,506	8,609,203
Accrued payroll	1,040,917	955,510
Current portion of mortgage payable	300,000	300,000
	13,645,423	9,864,713
Mortgage Payable - note 3		300,000
Post-Employment Benefits - note 4	2,571,209	
Commitments - note 5		
Contingencies - note 6		
Equity - Statement 2	130,375,652	129,273,879
	146,592,284	139,438,592

see accompanying notes

Signed on behalf of the Commission:



Chairman



Vice-chairman

Statement of Equity

for the year ended October 31, 2001

STATEMENT 2

	2001	2000
	\$	\$
Equity, Beginning of Year	129,273,879	123,352,171
Net Income for the Year - Statement 3	3,417,752	5,921,708
Change In Accounting Policy - note 4	(2,315,979)	
Equity, End of Year	130,375,652	129,273,879

see accompanying notes

Statement of Operations

for the year ended October 31, 2001

STATEMENT 3

	2001	2000
	\$	\$
Income		
Gift shops, restaurants and attractions - Schedule 1	68,137,118	67,403,129
Land rent	5,299,469	5,173,479
Commissions, rentals and fees	2,739,471	2,693,053
Premium on United States funds – net	631,338	568,129
Interest	135,938	587,173
Gain on disposal of fixed assets – net	56,384	981,004
Sundry income	44,718	30,971
	<hr/>	<hr/>
	77,044,436	77,436,938
Expenses		
Gift shops, restaurants and attractions - Schedule 1		
Cost of goods sold	15,539,056	15,772,037
Operating expenses	27,525,807	25,976,311
Depreciation	2,421,883	2,489,138
Maintenance	16,486,896	16,198,903
Administrative and general	5,025,846	4,671,461
Marketing and promotion	2,904,238	3,315,180
Customer service	443,773	377,096
Loan interest	314,014	
	<hr/>	<hr/>
	70,661,513	68,800,126
Net Income for the Year before Depreciation of Non- Income Producing Assets	6,382,923	8,636,812
Depreciation of Non-Income Producing Assets	2,965,171	2,715,104
	<hr/>	<hr/>
Net Income for the Year	3,417,752	5,921,708

see accompanying notes

Statement of Cash Flows

for the year ended October 31, 2001

STATEMENT 4

	2001	2000
	\$	\$
Operating Activities		
Net income for the year	3,417,752	5,921,708
Charges against income not requiring an outlay of funds		
- depreciation	5,494,475	5,310,469
- gain on disposal of fixed assets – net	(15,318)	(981,004)
	<u>8,896,909</u>	<u>10,251,173</u>
Net change in non-cash working capital balances related to operations - note 7	2,905,490	4,006,941
Funds provided by operating activities	<u>11,802,399</u>	<u>14,258,114</u>
Investing Activities		
Fixed asset acquisitions	(20,140,315)	(27,718,468)
Proceeds on sale of fixed assets	279,919	1,130,601
Funds used by investing activities	<u>(19,860,396)</u>	<u>(26,587,867)</u>
Financing Activities		
Repayment of long-term debt	(300,000)	(300,000)
Increase in post-employment benefits	255,230	
Funds used by financing activities	<u>(44,770)</u>	<u>(300,000)</u>
Decrease in Cash Position	(8,102,767)	(12,629,753)
Cash Position, Beginning of Year	9,596,381	22,226,134
Cash Position, End of Year	<u>1,493,614</u>	<u>9,596,381</u>

see accompanying notes

Schedule of Operations

Gift Shops, Restaurants and Attractions
for the year ended October 31, 2001

SCHEDULE 1

	2001 \$	2000 \$
Income		
Souvenirs, china and post card	25,433,308	25,538,661
Food and refreshments	15,148,458	15,370,415
Beer, liquor and wine	1,680,357	1,733,339
Confectionery	3,145,907	3,147,261
Fares and admissions	21,404,860	20,374,193
Rentals	371,778	390,838
Sundry	952,450	848,422
	<u>68,137,118</u>	<u>67,403,129</u>
Cost of Goods Sold		
Souvenirs, china and post cards	9,533,463	9,612,846
Food and refreshments	4,022,544	4,167,341
Beer, liquor and wine	454,663	481,176
Confectionery	1,239,169	1,250,886
Sundry	289,217	259,788
	<u>15,539,056</u>	<u>15,772,037</u>
Gross Profit	<u>52,598,062</u>	<u>51,631,092</u>
Operating Expenses		
Salaries and wages	12,699,555	12,875,382
Employee benefits	2,348,901	2,465,782
Advertising	767,914	745,958
Fuel, power, water and laundry	1,171,656	868,685
General	3,577,535	3,280,734
Maintenance of buildings, equipment and vehicles	2,511,433	2,585,832
Maintenance of grounds	2,402,632	800,335
Grants in lieu of municipal taxes	808,167	1,011,157
Distribution Centre expense	1,238,014	1,342,446
	<u>27,525,807</u>	<u>25,976,311</u>
Net Income before Depreciation	25,072,255	25,654,781
Depreciation of Income Producing Assets	2,421,883	2,489,138
Net Income Exclusive of any Portion of the Administrative Overhead of the Commission	<u>22,650,372</u>	<u>23,165,643</u>

see accompanying notes

1. Significant Accounting Policies

Basis of accounting

The financial statements of the Commission are the representations of management prepared in accordance with Canadian generally accepted accounting principles, consistently applied. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement in the light of available information. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Inventories

Inventories of saleable merchandise are valued at lower of cost (first-in, first-out) and net realizable value.

Fixed assets

All fixed assets are recorded at cost. Depreciation has been recorded using the straight-line method, with rates from 2.5 to 20 per cent for buildings, roadways and structures, 10 to 25 per cent for equipment and furnishings and from 8 to 40 per cent for vehicles.

2. Fixed Assets

	Cost \$	Accumulated Depreciation \$	2001 \$	2000 \$
Land	13,555,108		13,555,108	13,555,108
Buildings, roadways and structures	12,771,786	46,201,994	81,509,792	78,708,149
Equipment and furnishings	19,227,049	12,587,440	6,639,609	6,294,360
Vehicles	8,041,380	6,580,274	1,461,106	1,399,591
	168,535,323	65,369,708	103,165,615	99,957,208
Capital works in progress	32,910,832		32,910,832	21,738,000
	201,446,155	65,369,708	136,076,447	121,695,208

As at October 31, 2001, Capital Works in Progress includes approximately \$ 31,800,000 related to the new Legends on the Niagara golf course complex. The Commission anticipates that this project will be completed in the Spring of 2002 – see note 5.

3. Mortgage Payable

Mortgage payable, repayable in annual installments of \$ 300,000, interest free, maturing January, 2002, secured by certain lands owned by the Commission	2001 \$	2000 \$
	300,000	600,000
Portion due within one year	(300,000)	(300,000)
	–	300,000

4. Post-Employment Benefits

Effective November 1, 2000, the Commission adopted the Canadian Institute of Chartered Accountants new accounting standards for post-employment benefits. The Commission recognizes these costs in the period in which the employees rendered the services. The change in accounting policy was applied retroactively, without restatement.

The Commission provides a defined employee future benefit, payable on termination to certain full-time employees with a minimum of five years of service. The benefit is calculated on the basis of one week's remuneration, at the time of termination, for every year of full-time service provided to the Commission. See note 9 for other post-employment benefits.

Defined Benefit Plan Information

	2001	2000
	\$	\$
Employee benefit plan assets	–	
Employee benefit plan liabilities	2,571,209	
Employee benefit plan deficit	2,571,209	
Benefit obligation recognized on the balance sheet		
Benefit obligation, beginning of the year	2,315,979	
Expense for the year	327,952	
Benefits paid during the year	(72,722)	
Benefit obligation, end of year	2,571,209	

The main actuarial assumptions applied in the valuation of the defined benefit plan are as follows:

Interest (Discount) Rate – The accrued obligation as at November 1, 2000 and the expense for the year ending October 31, 2001 were determined using a discount rate of 6%.

Salary Levels – Future salary and wage levels were assumed to increase at 4% per annum.

5. Commitments

The Commission is committed to spending approximately \$ 5,414,000 on capital projects in the next year. These costs include approximately \$ 1,700,000 related to the completion of the new Legends on the Niagara golf course complex anticipated to be completed in the Spring of 2002 – see note 2.

6. Contingencies

The Commission is in litigation pertaining to certain claims for which the likelihood of loss is not determinable and the amount not reasonably estimable. Accordingly, no provision for these claims is reflected in the financial statements.

7. Statement of Cash Flows

Changes in working capital components include:

	2001	2000
	\$	\$
Accounts receivable	(941,039)	(181,450)
Inventories	(54,794)	433,403
Prepaid expenses	120,613	(117,797)
Bank loan	3,000,000	
Accounts payable and accrued payroll	780,710	3,872,785
	2,905,490	4,006,941

Interest	2001	2000
	\$	\$
Interest received	135,938	587,173
Interest paid	298,644	-

8. Operating Leases

The Commission leases vehicles and equipment under operating leases expiring in various years through 2005.

The total obligation under operating leases amounts to approximately \$ 2,585,564.

Future payments for each of the next four years are as follows:

	\$
2002	722,070
2003	687,157
2004	656,827
2005	519,510

9. Other Post-Employment Benefits

The Commission 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). These are multi-employer plans established by the Province of Ontario.

The Commission's obligations related to the PSPF and OPSEU Pension Fund was \$ 1,140,146 (2000 - \$ 1,197,209) and is included in the administrative and general expenses in the Statement of Operations and employee benefits in the Schedule of Operations - Gift Shops, Restaurants and Attractions.

The cost of post-employment, non-pension benefits are paid by the Management Board Secretariat and are not included in the Statement of Operations.

See note 4 for details on the Commission's defined employee future benefit plan.

10. Financial Instruments

Credit Risk

The Commission is exposed to a credit risk by its customers. However, because of the large number of customers, credit risk concentration is reduced to a minimum.

Currency Risk

The Commission realizes approximately 18.71% (2000 - 17.26%) of its sales in foreign currency. Consequently, some assets and revenues are exposed to foreign exchange fluctuations.

Cash Flow Risk

The Commission has a bank loan payable bearing interest at prime - 0.5%. Accordingly, the Commission is exposed to cash flow risks relating to potential fluctuations in market interest rates.

11. Related Party Transactions

The Commission exercises significant influence over the Niagara Parks Foundation by virtue of its ability to appoint some of the Foundation's Board of Directors. The Foundation is incorporated under the Ontario Corporations Act and is a registered charity under the Income Tax Act. The purpose of the Foundation is to promote conservation, environmental, historical, performing arts, and musical initiatives within the lands of The Niagara Parks Commission. Net resources of the Foundation amounted to \$ 35,558.

The net assets and results of operations of the Foundation are not included in the statements of the Commission. Separate financial statements of the Foundation are available upon request.

12. Surplus Funds

Pursuant to Section 16(2) of the Niagara Parks Act any surplus moneys shall, on the order of the Lieutenant Governor in Council, be paid to the Minister of Finance and shall form part of the Consolidated Revenue Fund.

Public Sector Salary Disclosures

Employees Paid \$100,000 or more in 2000

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

Record of Employees' 2000 Salaries and Benefits

Name	Position	Salary Paid	Taxable Benefits
John Kernahan	General Manger	\$127,731.52	\$8,760.89
Robert Brooker	Assistant General Manager	\$117,091.50	\$ 330.82
Robert McIlveen	Senior Director – Community Services	\$100,185.32	\$ 283.06
Nicholas Murphy	Senior Director – Technical Services	\$100,185.32	\$ 283.06
Alois Poltl	Senior Director – Food Services	\$100,185.32	\$ 978.56