

OUR
FOCUS
IS THE FUTURE





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. These havens for man and nature encompass some of the most beautiful and diverse landscapes in the world. They touch the majestic splendour of the Falls, encircle hectares of fragrant gardens, provide quiet refuge for wildlife and border local farms and busy vineyards.

As a self-sufficient agency of the Ontario Ministry of Tourism, the Commission now maintains over 1,700 hectares of parkland at no cost to taxpayers. Our mission continues to be the preservation and enhancement of the natural beauty of the Falls and the Niagara River Corridor to ensure that future generations will enjoy their splendour.



Greetings from the Honourable Cam Jackson, Minister of Tourism



The 2000 Annual Report of The Niagara Parks Commission highlights some important accomplishments and exciting initiatives.

A keystone in the Niagara Region's strong local tourism industry, the Commission and its many parks and attractions helped draw 12-14 million visitors to the area in 2000. The agency also took on a leadership role in the increasingly popular Blossom Festival Celebration and significantly advanced the planning and development of the Legends on the Niagara golf complex.

Achievements like these are only possible with the assistance of a solid support team. The Niagara Parks Commission employed 1,495 seasonal and 295 full-time staff in 2000, all proud cast members who are committed to delivering the best of the Ontario showcase.

Excellence is its own reward, and The Niagara Parks Commission again has demonstrated its ability to provide exceptional services to its customers while contributing to the establishment of Niagara and Ontario as premiere, four-season tourism destinations.

My congratulations to the Commission's Board, staff, volunteers and supporters for a strong performance and best wishes on your continued success.

A handwritten signature in dark ink that reads "Cam Jackson". The signature is written in a cursive, flowing style.

Sincerely,
Cam Jackson
Minister



Entering the new millennium, The Niagara Parks Commission (NPC) stands poised to meet the challenges and changing nature of the tourism industry. Our focus is clearly on the future.



The Niagara Falls tourism industry came of age this past year and The Niagara Parks Commission is pleased to have played a leading role in creating and sustaining this growth.

Today, Niagara Parks operates North America's most completely maintained Parks system, with 1,720 hectares of Parkland and 56 kilometres of recreational trail following the Niagara River from Lake Erie to Lake Ontario. We are, in fact a city within cities, since we operate, control and maintain our own police force, road maintenance, snow removal and transportation (People Mover) system.

In terms of our economic performance, NPC played a significant role in helping to attract the 12 to 14 million visitors that came to Niagara this past year. We estimate these visitors spent almost half a billion dollars on direct purchases of tourism goods and services in this region alone.

This economic effect resulted in and supported the over 13,000 full time jobs related to tourism in Niagara. If this trend continues, forecasters predict tourism-related jobs will swell to over 25,000 full time positions by 2003.

As you will note in my Economic Growth update, NPC revenues are up by 4.5%, since 1999. This means we generated over \$70 million in revenue this past year. As well, more than 5,587,849 patrons took in what Niagara Parks had to offer by visiting our attractions, museums and golf courses in 2000. Our Group Sales also increased by 10% this year, while sales of our NPC Passport Packages grew by over 64%.

These numbers tell a story, and a good one at that. Niagara, and The Niagara Parks Commission have become a premiere, year round tourist destination.

To support and sustain this continued growth, NPC has embarked on an aggressive marketing campaign, in cooperation with our destination-marketing partners, Niagara Falls Tourism and the Ontario Ministry of Tourism.

As proof of our commitment, 50% of our 2000 marketing budget was dedicated solely to Niagara "focused" destination support. In fact, we have increased our marketing budget in this area alone by over 200% since 1998.

In addition to the significant economic impact we provide, Niagara Parks is also proud of the role we play in terms of the many initiatives,



projects and causes we support right here in our community.

Home is a key word for us. For over 100 years now, The Niagara Parks Commission has become deeply rooted in the communities we touch. In fact, we consider ourselves part of the very fabric that makes this region great.

Some of the recent initiatives of which we are most proud include our work with the City of Niagara Falls, the Ontario Ministry of Tourism, Ministry of Transportation and the Regional Municipality of Niagara, on a major revitalization of Roberts Street in the City of Niagara Falls. This partnership was undertaken to beautify and enhance Roberts Street, a key "Gateway" and main entry point into Ontario from the United States.

Also in 2000, Niagara Parks accepted a leadership role in helping to transform and reinvigorate the Blossom Festival Celebration

and Parade that takes place annually in Niagara. With the help of several tourism partners, The Blossom Festival has been transformed into a spring showcase for the enjoyment of our visitors and guests.

As much as we celebrate what we have accomplished, NPC is clearly excited about what the future holds in store, and the role we will play in ensuring continued growth, prosperity and a sense of strong communities.

Over the next several years, Niagara Parks will be developing new initiatives and long-range plans as part of our overall Master Plan for the future.

Our upcoming plans include acquiring the Canadian Niagara Power Building. It is our intention to convert and transform this building into an inspiring and fully functional interactive museum.

The Toronto Power Generating Station, currently an unused stately

building, will also be completely restored and renovated. Our unique and rich history will be preserved and honoured at the Chippawa Battlefield Site, the location of one of the bloodiest and costliest battles ever to have taken place during the War of 1812.

Planning, design and construction of what will most assuredly become the jewel in the crown of Ontario golf has also progressed significantly during the past year. *Legends on the Niagara* is being built on over 250 hectares 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.

As I indicated earlier, The Niagara Parks Commission stands ready to meet the challenges of the new millennium. That is why we have chosen the theme for this year's Annual Report "Our Focus is the Future." I want to take this opportunity to

thank both the Commissioners of The Niagara Parks Commission and our entire staff. It was through their hard work, dedication and enthusiasm that we were able to achieve these remarkable results.

Brian E. Merrett
Chairman



centre:

Brian E. Merrett,
Chairman
December 10, 1997
December 9, 2000

Larry Boese,
Commissioner
August 1, 1997
July 31, 2003

Archie Katzman,
Vice Chairman
October 24, 1981
October 23, 2002

Robert Saks,
Commissioner
April 6, 1994
April 5, 2000

left to right:

Art T. Viola,
Town of Niagara-on-the-Lake
Representative
Commissioner
December 1, 1997
November 30, 2000

Kenneth R. Green,
Commissioner
May 20, 1996
May 19, 2002

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

Frank B. Leslie,
Commissioner
June 30, 2000
June 29, 2003

Donna Lailey,
Commissioner
May 20, 1996
May 19, 2002

Marvin D. Kriluck,
Commission Solicitor

Michael M. Dietsch,
Reg. Mun. of Niag. Representative
Commissioner
December 1, 1997
November 30, 2000

S. Wayne Thomson
City of Niagara Falls Representative
Commissioner
December 1, 1994
November 30, 2000

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

John A.M. Kernahan,
General Manager

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

absent:

Wayne Redekop,
Town of Fort Erie Representative
Commissioner
December 1, 1997
November 30, 2000

Niagara Falls and its surrounding region have become the second most visited location in all of Canada.

As a result, Niagara Parks has undertaken a leadership role within the local tourism community and industry to help establish and promote Niagara Falls as a world-class destination – one that is open for business year round.

Each year, NPC helps attract an average of 12 to 14 million visitors to Niagara, offering an array of heritage, nature, horticulture, golf and recreational experiences, attractions and special events.

Visitors drawn to and by NPC sites spend almost half a billion dollars annually on direct purchases of tourism goods and services in Niagara. Spending by these visitors also supports the more than 13,000 tourism-related full time jobs located right here in Niagara.

Our popularity has also brought significant economic growth and its associated prosperity to communities throughout the Golden Horseshoe area. Moreover, the benefits resulting from increased tourism now reach far past our immediate region to touch other areas of the Province of Ontario.

Current statistics and projected increases in both visitors and dollars spent reveal a picture of sustained growth for the Parks and this region in the coming years. Of particular interest, the following highlights occurred this past year:

- In 2000, NPC employed approximately 1,495 seasonal and 295 year-round staff.

- NPC revenues increased by 4.5 % during the year.
- Attendance figures at our attractions, museums and golf courses reached 5,587,849 in 2000.
- Visits to our historic sites also rose, increasing 37% from the previous year.
- Overall, visitor growth to our region has gone up by over 23% in the last 3 years.
- By 2002, the number of visitors projected to visit this region could jump to almost 20 million people.
- By 2003, forecasters are predicting tourism related jobs will swell to over 25,000 full time positions in the region.

To help foster and support this continued growth, The Niagara Parks Commission has:

- Increased its investment in Niagara Falls destination support and promotion by over 200% since 1998.
- Destination spending now represents 50% of total marketing spending by the NPC.
- In 2000, NPC remitted \$4.1 million to the Province in Retail Sales Tax.
- In 2000, NPC provided grants in lieu of taxes to its adjoining municipalities (Niagara Falls, Fort Erie and Niagara-on-the-Lake) totalling over \$1 million.



Customer Service is at the very heart of everything we do at The Niagara Parks Commission. Why? Because the value one places on excellent customer service can never be underestimated or taken for granted.

For us customer service is not simply a goal, it is the foundation of who we are and how we operate. It is our commitment to you, our visitors, that we will provide the best in quality service, attention and customer care.

The Province of Ontario and the Ministry of Tourism recognised the importance of this when they made improved customer service part of their key commitments and strategies in their Ministry Business Plan this past year.

Improved customer service is something we have always strived to achieve here at The Niagara Parks Commission. You have to live your values, and our commitment to quality customer care is part of what defines us and sets us apart.

The Niagara Parks Commission is serious about setting high quality standards in everything we do to ensure our visitors have an enjoyable experience while visiting our attractions, historic sites and parks. As a result, a number of quality service assurance mechanisms have been developed and are in place to stay on top of things before problems arise.

These mechanisms allow us to revisit how we operate so changes and improvements can be made on a continuous basis if needed. Some of the initiatives which are currently in use or have been recently launched include:

- The creation of a Quality Service Team at The Niagara Parks Commission. Comprised of representatives from all departments, its mission is to instill a positive attitude and commitment to

quality care, through co-operative efforts with our employees. This team administers the NPC Service Star Program, which recognises our employees who have demonstrated an ongoing record of quality service and dedication to our customers.

- The Niagara Parks Commission has also made excellent use of random customer surveys, such as the ones administered in the Parks in December, 1999 and January, July and August of 2000. The information gathered is then used in customer service improvements and training programs created for our employees. We are most proud of the fact that the scores from these surveys have improved with each quality service analysis.
- All staff at the Niagara Parks receive training in the "Ontario SuperHost" program. This program provides the necessary tools to help all employees provide a level of hospitality that is second to none. This program was developed initially for Expo '86 in Vancouver, and is now in use throughout the world.
- A Usage and Attitude Survey has also been initiated by our Marketing and Business Development Department to ensure high-level customer service is maintained at our current and future attractions.
- Customer Comment Cards have been developed and are available to all our visitors at all retail and restaurant establishments. These are monitored and followed up by staff throughout the year.



The Niagara Parks Commission trained their 2000th employee in the Ontario SuperHost Program this past year. Here Chairman Brian Merrett and Lorne Smith, the 2000th employee trained, celebrate the occasion.

- The Niagara Parks Commission has also established an educational evaluation program for our historic and natural attractions. These surveys are then monitored internally to ensure our commitment to quality programming and customer service is always maintained.

However, on the occasion that a complaint is made, standards have been put in place to ensure that any and all situations are resolved and improvements made where necessary. Some of the procedures and initiatives we have put in place to deal with possible complaints include:

- The use of our Sales and Customer Service Division as a key bridge between our visitors and the organizations when problems occur. Since 1998 they have been responding to the general public through local and toll-free phone lines as well as through Canada Post and via e-mail. Concerns and

commendations are recorded and that information is then forwarded to Department Supervisors for resolution.

- Staff within the Food Services Department have been trained to seek mutually agreeable solutions to the concerns raised by our guests. All complaints and remedial actions taken are then logged and monitored by senior management. A Senior Director then contacts the individual to ensure the matter has been brought to a successful conclusion.
- An on-site Manager is available at each of our sites to immediately handle any complaint or concern raised by a member of the public. In addition, during our peak periods of operation, a Senior Director is always made available or is "on-call," during weekends and holidays, to handle any situation that might occur.

In spring 2002, The Niagara Parks Commission will open a premiere golf course facility just south of the Village of Chippawa, along the scenic Niagara River.

The 283 hectare (700 acre) site 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 is also under construction and will be situated so as to overlook a 19-acre lake, thereby allowing players and patrons alike to capture the spirit and beauty of this magnificent location.

Planning, design and construction of the facility started in 1999. The design team combines the talents of the finest architects in Canada including Douglas Carrick, Thomas McBroom, and Peter Berton. The opening of the course is also set to coincide with the province's efforts to create a comprehensive "Destination Golf" tourism and marketing strategy for Ontario.

It has been a busy year, and the following pictures and descriptions outline our progress and tell the

story of where we've been and where we're headed, in the months and years to come.

June 23, 2000

The Logo & The Plans

The golf course name *Legends on the Niagara*, the logo and the clubhouse design are officially unveiled. The two 18-hole championship golf courses are named *Ussher's Creek* and *Battlefield*. The 9-hole course is named *Chippawa* and the practice/teaching facility is named *The Academy*.



July 5, 2000

Clubhouse Tender

The tender for the golf clubhouse contractor is opened.

July 21, 2000

Clubhouse Contractor Selected

The Commission selects Charter Building Company as the official clubhouse contractor.

September 1, 2000

Clubhouse Construction and Green update

Seeding and sodding of greens takes place. Clubhouse and main bridges into the facility are underway.

October 20, 2000

Progress on the Course

Eight holes on the *Ussher's Creek* course have been constructed. Work on the driving range and putting course are also scheduled to begin. Sand deliveries, final grading and sod work continue until frost sets in.



Ussher's Creek - Hole 4



Overview of Legends complex along the Niagara River.



Overview of Ussher's Creek course under construction.



Adjacent to our 283 hectare (700-acre) *Legends on the Niagara* golf complex is the site of an historic War of 1812 battlefield - the 1814 Battle of Chippawa.

The Battle of Chippawa took place on July 5, 1814. It was the first engagement of what turned out to be the longest and bloodiest military campaign of the War of 1812, and is considered by many historians as the birthplace of the U.S. Army.

The battle marked the opening of the Niagara campaign of 1814 and took place on the fields of Canadian Samuel Street's farm near the banks of the Niagara River. A British,

Canadian and Native force of about 2,000 soldiers under Major-General Phineas Riall attacked an invading American Army of approximately 3,500 men under the command of Major-General Jacob Brown.

The fighting started early in the morning and lasted until nearly six o'clock in the evening. When it was over, the British and Canadian forces had been decisively beaten. More than 800 men lay dead or wounded

following the battle, making Chippawa one of the bloodiest and costliest military battles to have taken place during the War.

The Niagara Parks Commission (NPC) has preserved 121 hectares (300 acres) of the battlefield, which has changed little since that fateful day in July, 1814.

This past year, an interpretive walking tour was established to tell the story of the events which

occurred at Chippawa. It was officially opened and dedicated during our Battle of Chippawa Commemorative Services held on July 5th, 2000.

In 2001, a monument will be dedicated to the memory of the regiments and first nations warriors who fought in the battle and to commemorate the peace that has prevailed between Canada and the United States since that time.



NOVEMBER



The Winter Festival of Lights

This annual event was kicked off by the Honourable Cam Jackson, Minister of Tourism. The park was lit up in an array of colours and was enjoyed by a record number of visitors.

DECEMBER

McFarland House Christmas

Visitors were invited to experience an old fashioned Christmas at McFarland House. Special period decorations were on display complemented by a unique selection of baked goods.

JANUARY



Japan Flora

The Niagara Parks School of Horticulture created the "Canadian Garden" at this international horticulture exhibit. We won 43 awards including the top and most prestigious award, presented by the International Horticulture Producers Association.

MAY



Army Sweep

Soldiers of the Lincoln and Welland Regiment swept the Battlefield of Chippawa looking for the estimated 50,000 lead musket balls fired during the battle fought on this site on July 5th, 1814. The Operation was conducted under the supervision of archeologist Jon Jouppien and historian Donald E. Graves, in the hope of pinpointing the actual location of the two armies during the battle.



Annual Blossom Festival 2000

This all-new Festival spanned three weekends in May, featuring free concerts by some of Canada's best recording artists. Other highlights included horticultural displays, gardening workshops and the Maid of the Mist Blossom Festival Parade.

JUNE



Historic Queenston Chapel

A special Celebration was held in June to commemorate the transfer of historic Queenston Chapel to The Niagara Parks Commission.



3rd Annual Golf Media Day

A news conference was held to unveil the new logo and design for the Legends on the Niagara golf facility. The complex will feature two championship 18-hole courses, one 9-hole short course, a 360-degree circular practice facility and an 18-hole putting course.

JULY

NPC Tourism Award

This award is given annually to a graduating student who has achieved high academic standing and is pursuing post-secondary



studies in a tourism related field. This year's recipient was Kristen Brenner from Westlane High School in Niagara Falls.



United Way Employee BBQ

A well attended United Way kick-off BBQ was held at our Maintenance Centre in July. NPC and its employees contributed over \$27,000 to the United Way in 2000.

AUGUST



Student Awards Spell Success

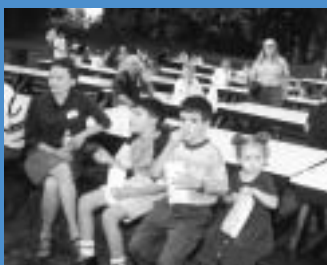
The Niagara Parks awarded scholarships to seven summer student employees for their academic success, community involvement and work performance.

Fastforward 2000

AUGUST



2nd Annual Bigga Tomatafest
Musical entertainment, artistic endeavours, celebrity tomato stomping and the largest home-grown tomato contest all contributed to the success of this United Way event.



Employee Appreciation Day Picnic
To commend staff for their hard work and dedication, a picnic is held at Queenston Heights Park for employees and their families.

Parks Preservation
The Niagara Parks Commission and Niagara National Historic Sites (Parks Canada), sign a formal agreement to explore the possibilities of further and future cooperation in special events, conservation, public programming and other areas of established practice.



Restoration Of Mather Arch
Mather Arch, a memorial commemorating the friendship between Canada and the United States, was restored to its original splendour. The Arch was officially dedicated on August 31, 1940, and rededicated on August 26, 2000.



Trans Canada Trail 2000
The Niagara Parks recreation trail officially becomes part of the Trans Canada Trail.

SEPTEMBER



The Niagara Classic
The Niagara Parks Commission was pleased to welcome top Canadian Tour Pros to participate in the tournament at Whirlpool Golf Course. Jim Rutledge of Victoria, B.C. was the winner of the 2000 Niagara Classic

OCTOBER

Freedom Park
From 1830 to 1860, thousands of "freedom seekers" used the Underground Railroad to reach sanctuary in Canada. This park was created to celebrate their lives and to remind present and future generations of their struggle to be free.



Operation Impact: Traffic Safety Program
Operation Impact, a major traffic enforcement program was launched in the Niagara Parks, by Maurice Pilon, Ontario Provincial Police and national spokesperson for Operation Impact.

Roberts Street gets a \$14 million Facelift
The Niagara Parks Commission in partnership with the City of Niagara Falls, the Ministry of Tourism and the Regional Municipality of Niagara, begin work to establish and redevelop this most important "gateway" into Ontario.

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:

Ontario Ministry of Tourism	Canadian Tourism Commission	Ontario Ministry of the Environment	Ontario Ministry of Natural Resources	Toronto Tourism
Niagara Falls Tourism	South Western Ontario Tourism	Niagara Economic & Tourism Corporation (NETCORP)	City of Niagara Falls	City of St. Catharines
Town of Niagara-on-the-Lake	Town of Fort Erie	Region of Niagara	Ontario Power Generation	Niagara Regional Police Service

Community Partners:

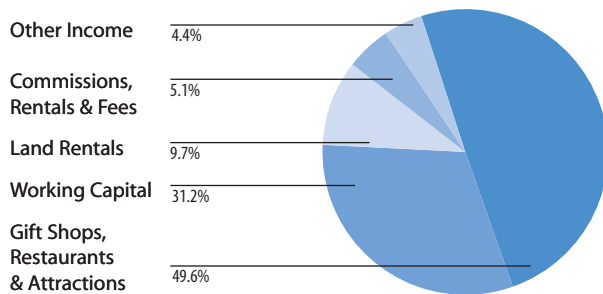
Niagara Falls Chamber of Commerce, WaterFront Regeneration Trust, Greater Niagara General Hospital, United Way, Heart Niagara, Project S.H.A.R.E., Niagara College, Brock University, Westlane Secondary School, Business Education Council, New York State Parks, Mackenzie Heritage Printery Volunteer Group, Destination Golf Niagara.

Special Event Partners:

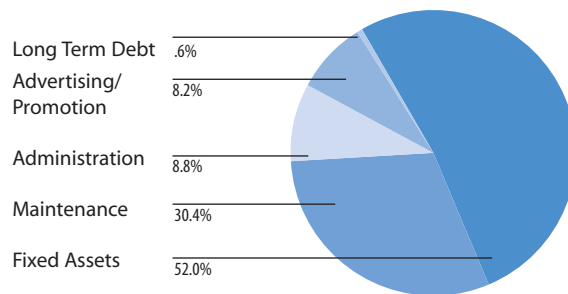
Winter Festival of Lights, Maid of the Mist Steamboat Company Limited, Niagara Grape and Wine Festival, Niagara Film Festival, Tastes of Niagara, FISA World Rowing Championships, Loch Sloy Highland Games, Friendship Festival, Niagara Bigga TomataFest, Casino Niagara Marathon, Niagara Classic Golf Tournament.

Business Climate

Where Commission Dollars came from



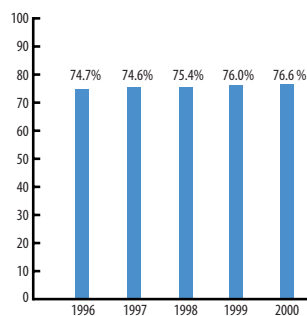
Where Commission Dollars went



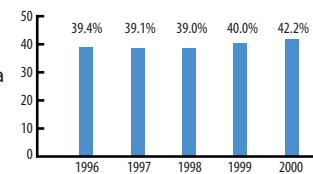
Comparative Performance - Gift Shops, Restaurants, and Attractions

	2000	% of sales	1999	% of sales
Income	\$ 67,403,129	100.0	\$ 64,486,732	100.0
Cost of Goods Sold	15,772,037	23.4	15,453,796	24.0
Gross Profit	\$ 51,631,092	76.6	\$ 49,032,936	76.0
Operating Expenses including Depreciation	28,465,449	42.2	25,820,575	40.0
Net Income before Administrative Overhead	\$ 23,165,643	34.4	\$ 23,212,361	36.0

The schedule below indicates that the Commission has performed very well in such areas as marketing, purchasing and control of operating costs. Of significant note is the maintenance of a favourable gross profit percentage over the past five years.



The 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

	2000	1999	Increase or (Decrease)	
McFarland House	9,493	4,629	4,864	
Laura Secord Homestead	14,242	8,605	5,637	
Mackenzie Heritage Printery	9,385	3,942	5,443	
Butterfly Conservatory	576,849	559,961	16,888	
Whirlpool Golf Course	44,436	48,060	(3,624)	
Spanish Aerocar	231,155	209,076	22,079	
Great Gorge Adventure	212,067	171,083	40,984	
Maid of the Mist Elevator	1,938,231	1,895,832	42,399	
Journey Behind the Falls	1,106,302	1,090,940	15,362	
Falls Incline Railway	637,572	812,401	(174,829)	
Greenhouse - Queen Victoria Park	276,064	307,262	(31,198)	
Oak Hall Par 3 Golf Course	13,646	13,103	543	
People Movers	484,896	497,406	(12,510)	
Historic Fort Erie	33,511	25,017	8,494	
Total	5,587,849	5,647,317	(59,468)	(1.0%)

Parking Lots - Number of Vehicles

Falls Parking Lot	432,887	418,987	13,900	
Greenhouse Parking Lot	36,022	35,166	856	
Rapids View Parking Lot	67,911	72,422	(4,511)	
Total	536,820	526,575	10,245	1.9%

statement of

Capital Expenditures

for the year ended October 31, 2000

Willoughby Golf Development - Land

• Sinclair Property Deposit - 23.48 hectares	164,015
• Plans and Registration - Golf Course Lands	17,963
	181,978

Roadways, Bridges and Park Areas

Botanical Gardens - Herb Garden	248,351
Botanical Gardens - Fire Pond Landscape	158,914
Botanical Gardens - Landscape Parking Lot	517,464
Emergency Landing Pad	14,087
Queen Victoria Park - Path Widening Clifton-Murray	418,463
Bus Call Back - Road Work	341,485
	1,698,764

Stone Parapets, Wall and Arches

Queen Victoria Park - Parapet Wall Foundation	458,915
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Power and Water Distribution Systems

Queenston Heights Park - Water Service	291,986
Botanical Gardens - Irrigation Pumping Station	529,426
Queen Victoria Park Lighting - Table Rock to CNP	70,059
Fraser Hill - Traffic Signals	105,224
	996,695

Historical Structures and Sites

Chippawa Battlefield Development	246,775
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Other Park Buildings

Bus Call Back - Shelter	348,376
Oak Hall - Office Changes	71,026
King's Bridge Park - Vending Arcade	8,684
Mather Arch - Restoration	551,111
	979,197

Revenue Producing Facilities

Butterfly Conservatory - Misting System	51,447
Feather In The Glen - Replace 5 Air Conditioners	20,115
Aero Car - Haul Rope and Bearings	78,873
Aero Car - Winterizing	85,057
Great Gorge Adventure - Emergency Car	117,348
Maid Of The Mist Gift Shop - Expand Retail Area	106,141
Distribution Centre - Office Renovations	64,019
Distribution Centre - Replace Air Conditioning	24,818
Queenston Heights Restaurant - Remodeling (Interior)	83,306
Maid Of The Mist Restaurant - Interior Decoration	37,326
Table Rock Fast Food - Ice Cream Expansion	108,258
Table Rock Fast Food - Interior Renovations	13,168
Oak Hall Par 3 - Sand Traps	52,397
Historic Fort Erie - Roof Drainage	23,182
	865,455

Total	5,427,779
Equipment and furnishings	1,898,976
Automobiles and trucks	741,959
Total	8,068,714

To The Niagara Parks Commission, the Minister of Tourism 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 at October 31, 2000 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 posi-

tion of the Commission as at October 31, 2000, 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 19, 2001, 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 administra-

tive 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 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 19, 2001



Assistant General Manager and Senior
Director, Corporate Services
January 19, 2001

Balance Sheet

STATEMENT 1

for the year ended October 31, 2000

Assets	2000	1999
	\$	\$
Current Assets		
Cash	9,596,381	22,226,134
Accounts receivable		
Land rent	1,567,878	1,504,048
Sundry	1,620,829	1,503,209
Inventories		
Saleable merchandise	3,559,094	4,253,429
Maintenance and other supplies	1,157,560	896,628
Prepaid expenses	241,642	123,845
	<hr/>	<hr/>
	17,743,384	30,507,293
Fixed Assets - note 2	121,695,208	99,436,806
	<hr/>	<hr/>
	139,438,592	129,944,099

Liabilities and Equity

Current Liabilities		
Accounts payable	8,609,203	4,950,656
Accrued payroll	955,510	741,272
Current portion of mortgage payable	300,000	300,000
	<hr/>	<hr/>
	9,864,713	5,991,928
Mortgage Payable - note 3	300,000	600,000
Commitments - note 4		
Contingencies - note 5		
Equity - Statement 2	129,273,879	123,352,171
	<hr/>	<hr/>
	139,438,592	129,944,099

see accompanying notes

Signed on behalf of the Commission:



Chairman



Vice-chairman

Statement of Equity

STATEMENT 2

for the year ended October 31, 2000

	2000	1999
	\$	\$
Equity, Beginning of Year	123,352,171	115,246,672
Net Income for the Year - Statement 3	5,921,708	8,105,499
Equity, End of Year	129,273,879	123,352,171

see accompanying notes

Statement of Operations

STATEMENT 3

for the year ended October 31, 2000

	2000	1999
	\$	\$
Income		
Gift shops, restaurants and attractions - Schedule 1	67,403,129	64,486,732
Land rent	5,173,479	5,038,197
Commissions, rentals and fees	2,693,053	2,642,181
Premium on United States funds - net	568,129	567,636
Interest	587,173	704,159
Gain on disposal of fixed assets - net	981,004	69,492
Sundry income	30,971	17,970
	<hr/> 77,436,938	<hr/> 73,526,367
Expenses		
Gift shops, restaurants and attractions - Schedule 1		
Cost of goods sold	15,772,037	15,453,796
Operating expenses	25,976,311	23,358,314
Depreciation	2,489,138	2,462,261
Maintenance	16,198,903	15,299,064
Administrative and general	4,664,748	4,090,301
Advertising and public relations	3,692,276	2,303,907
Bank charges and interest	6,713	7,259
	<hr/> 68,800,126	<hr/> 62,974,902
Net Income for the Year before Depreciation of Non- Income Producing Assets	8,636,812	10,551,465
Depreciation of Non-Income Producing Assets	2,715,104	2,445,966
Net Income for the Year	<hr/> 5,921,708	<hr/> 8,105,499

see accompanying notes

Statement of Cash Flows

STATEMENT 4

for the year ended October 31, 2000

	2000	1999
	\$	\$
Operating Activities		
Net income for the year	5,921,708	8,105,499
Charges against income not requiring an outlay of funds		
- depreciation	5,310,469	5,014,864
- gain on disposal of fixed assets - net	(981,004)	(69,492)
	<hr/> 10,251,173	<hr/> 13,050,871
Net change in non-cash working capital balances related to operations—note 6	4,006,941	(50,755)
Funds provided by operating activities	<hr/> 14,258,114	<hr/> 13,000,116
Investing Activities		
Fixed asset acquisitions	(27,718,468)	(10,544,265)
Proceeds on sale of fixed assets	1,130,601	123,875
Funds used by investing activities	<hr/> (26,587,867)	<hr/> (10,420,390)
Financing Activities		
Proceeds (Repayment) of long-term debt	(300,000)	900,000
Increase (Decrease) in Cash Position	<hr/> (12,629,753)	<hr/> 3,479,726
Cash Position, Beginning of Year	<hr/> 22,226,134	<hr/> 18,746,408
Cash Position, End of Year	<hr/> 9,596,381	<hr/> 22,226,134

see accompanying notes

Schedule of Operations

SCHEDULE 1

Gift Shops, Restaurants and Attractions
for the year ended October 31, 2000

	2000	1999
	\$	\$
Income		
Souvenirs, china and post cards	25,524,933	24,556,517
Food and refreshments	15,370,768	14,962,166
Beer, liquor and wine	1,733,339	1,740,708
Confectionery	3,146,908	3,044,262
Fares and admission	20,374,193	18,951,333
Rentals	390,838	403,652
Sundry	862,150	828,094
	<u>67,403,129</u>	<u>64,486,732</u>
Cost of Goods Sold		
Souvenirs, china and post cards	9,612,846	9,455,563
Food and refreshments	4,167,635	4,049,205
Beer, liquor and wine	481,176	482,665
Confectionery	1,250,592	1,214,172
Sundry	259,788	252,191
	<u>15,772,037</u>	<u>15,453,796</u>
Gross Profit	<u>51,631,092</u>	<u>49,032,936</u>
Operating Expenses		
Salaries and wages	12,875,382	11,247,699
Employee benefits	2,465,782	2,072,998
Advertising	745,958	798,835
Fuel, power, water and laundry	868,685	855,306
General	3,280,734	3,378,719
Maintenance of buildings, equipment and vehicles	2,585,832	2,196,141
Maintenance of grounds	800,335	785,085
Grants in lieu of municipal taxes	1,011,157	880,000
Distribution Centre expense	1,342,446	1,143,531
	<u>25,976,311</u>	<u>23,358,314</u>
Net Income before Depreciation	25,654,781	25,674,622
Depreciation of Income Producing Assets	2,489,138	2,462,261
Net Income Exclusive of any Portion of the Administrative Overhead of the Commission	<u>23,165,643</u>	<u>23,212,361</u>

see accompanying notes

Notes to Financial Statements

for the year ended October 31, 2000

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	2000	1999
	\$	\$	\$	\$
Land	13,555,108		13,555,108	13,443,130
Buildings, roadways and structures	121,379,049	42,670,900	78,708,149	76,868,255
Equipment and furnishings	17,826,513	11,532,153	6,294,360	5,991,137
Vehicles	7,758,763	6,359,172	1,399,591	1,046,037
	160,519,433	60,562,225	99,957,208	97,348,559
Capital works in progress	21,738,000		21,738,000	2,088,247
	182,257,433	60,562,225	121,695,208	99,436,806

3. Mortgage Payable

	2000	1999
	\$	\$
Mortgage Payable, repayable in annual installments of \$ 300,000, interest free, maturing January, 2002, secured by certain lands owned by the Commission	600,000	900,000
Portion due within one year	(300,000)	(300,000)
	300,000	600,000

The principal payments of the mortgage payable are due as follows:

\$

2001	300,000
2002	300,000

4. Commitments

The Commission is committed to spending approximately \$ 19,000,000 on capital projects in the next year.

Notes to Financial Statements

for the year ended October 31, 2000

5. 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.

6. Statement of Cash Flows

Changes in working capital components include:	2000	1999
	\$	\$
Accounts receivable	(181,450)	(602,468)
Inventories	433,403	(898,508)
Prepaid expenses	(117,797)	(4,548)
Accounts payable and accrued payroll	3,872,785	1,454,769
	4,006,941	(50,755)
Interest	2000	1999
	\$	\$
Interest received	587,173	704,159

7. Pension Plans

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) established by the Province of Ontario.

The Commission's obligations related to the PSPF and OPSEU Pension Fund was \$ 1,197,209 (1999 - \$ 1,119,428) 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.

8. 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 17.26% (1999 - 17.02%) of its sales in foreign currency. Consequently, some assets and revenues are exposed to foreign exchange fluctuations.

9. 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.

EMPLOYEES PAID \$100,000 OR MORE IN 1999

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

Name	Position	Salary Paid	Taxable Benefits
J. Kernahan	General Manager	\$124,657.23	\$8,753.11
R.F. Brooker	Assistant General Manager	\$114,278.12	\$323.67

