

# NIAGARA PARKS ANNUAL REPORT 2007

investing for a brighter future



The Niagara Parks Commission:

# Our Role & Mission

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 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.



Printed by the Order of the  
Legislative Assembly of Ontario

# Chairman's Message

Niagara Parks remains optimistic about the tourism potential of Niagara, despite the recent downturn that has taken place in the tourism economy. This is the reason why we have embarked on several significant investments – to not only further enhance the tourism potential and reputation of our Parks, but that of the community of Niagara as a world-class tourism destination.



Jim Williams, Chairman

In April of this year, after receiving government approval, the Commission launched its much anticipated redevelopment efforts at Table Rock House. Table Rock represents one of Niagara Parks most important venues, as it is where close to 6 million visitors gather each year and where close to 60% of all revenues earned by NPC is realized. The phased renovations we are undertaking are designed to enhance the visitors' experience of Niagara. From landscaped gardens and a fully-accessible covered walkway, to an entirely redeveloped second level offering improved year-round Falls interpretation and views, orientation and entertainment options, Table Rock is being transformed into an experience befitting the incredible power of its location.

This redevelopment project was urgently required not only from a revenue generating perspective, but also in terms of how it could enhance the destination in the minds of potential visitors who continue to view Niagara as a "been there done that" locale. According to the last Provincial Travel Intentions Survey, 54% of Canadians and 30% of Americans surveyed stated they had been to Niagara Falls before and had no interest in returning within the next two years, despite the tremendous growth and efforts of the tourism industry to promote and diversify the offerings available to visitors. The development of a new attraction at Table Rock (Niagara's Fury) should provide "new reasons" for visitors to spend more time in Niagara Falls and at Niagara Parks beginning in 2008.

To further help combat the perception of "nothing new to do", Niagara Parks in partnership with one of its longest standing corporate partners, Pizza Pizza, created a unique Fireworks event, designed in part to attract visitation back to Niagara. NPC research indicated fireworks displays are the number one event which helps to enhance a visitor's experience and trip to Niagara. Unlike its regular fireworks shows (seven minutes in length) which the Commission and its community partners have been hosting successfully for the past 20 years, on July 21 this specific 30-minute fireworks extravaganza resulted in over 60,000 visitors gathering within Queen Victoria Park.

The show was a phenomenal success ("in Park" sales increased 41% over 2006), garnering NPC positive media attention throughout North America, while more importantly helping to drive visitation and increase length of stay in the region.

The 2007 season also saw Niagara Parks continue its tireless pursuit and advancement of accessibility issues and improvements within the Parks. The redevelopment of Table Rock is a prime example. The 80-year-old facility has been undergoing a major transformation that will increase the overall accessibility and revenue-generating capabilities of this prime tourism facility located at the brink of Niagara Falls.

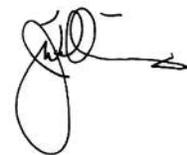
In May, NPC's Butterfly Conservatory and Botanical Gardens were selected by the Ontario March of Dimes to receive one of its "Breaking the Barrier" Awards for its contribution to the assistance and integration of individuals with disabilities. In July 2007, NPC's Legends on the Niagara Golf Complex became the first public golf course in Ontario to offer the *SoloRider* golf cart, thereby enhancing its courses for those individuals with mobility needs. Doing so has not only improved the facility's overall accessibility, it has also resulted in positive coverage in both mainstream and niche media (golf and disability publications, TV and Radio) outlets throughout North America.

In terms of community involvement and initiatives undertaken this past year, Niagara Parks was pleased to play a prominent role in the development and advancement of the Bicentennial of the War of 1812 commemoration efforts. As guardian of numerous War of 1812 heritage sites, NPC involvement in this project is a natural, and NPC staff have worked with other area partners on a newly created Niagara 1812 Bicentennial Legacy Council. Since 2006, Legacy Council members and a Bicentennial working group of community volunteers have held meetings with more than 100 representatives of cultural, heritage, community, academic, business and tourism organizations in the Niagara (Ontario/Western New York) area. Niagara Parks has also created a web portal [www.visit1812.com](http://www.visit1812.com) to provide

updated information on the Bicentennial preparations and the community partners involved. An 1812 Bicentennial logo contest was also held and promoted in late 2006/early 2007 and the winning design was formally selected in March 2007. Seed funding for these initiatives was provided by the Canadian Consulate in Buffalo and the Ontario Ministry of Tourism, along with in-kind support and contributions provided by the Legacy Council and working group members.

As guardian of a national trust, NPC is expected to preserve and commemorate the historical, cultural and environmental significance of the Niagara River corridor. NPC provides a myriad of public and community services and assumes an important stewardship role on behalf of the various levels of Government and we continue to do so all at no cost to the taxpayer.

The challenge faced by NPC this season was in many ways no different than that faced by the original Commission over a century ago – to deliver on its mandate, to operate its Parks, attractions and services, all while remaining financially self-sufficient from Government. This continued responsibility is made easier due to the significant contributions and support of the dedicated staff and Commissioners who strive to make Niagara Parks a rewarding place to work. For that I thank them all, including departing Commissioners Ted Salci and Wayne Redekop, as well as our four newest appointees - Vincent Kerrio, Douglas Martin, Fredrick Louws and David Strathern, for their efforts and input during their first year of public service to the Commission.

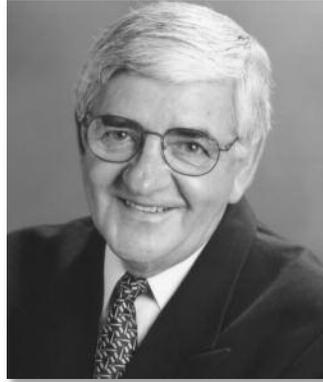


Jim Williams, Chairman  
The Niagara Parks Commission

# The Commissioners



**Jim Williams, Chairman**  
*Appointed March 10, 2004*  
*Term expires March 9, 2010*



**Archie Katzman, Vice-Chairman**  
*Appointed October 24, 1981*  
*Term expires October 23, 2008*



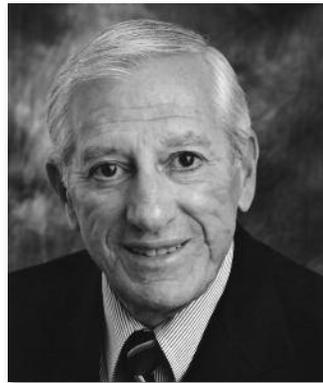
**Gary F. Burroughs, Commissioner**  
 (Town of Niagara-on-the-Lake Representative)  
*Appointed December 1, 2000*  
*Term expired November 30, 2007*



**Vincent Kerrio, Commissioner**  
 (City of Niagara Falls Representative)  
*Appointed April 18, 2007*  
*Term expired November 30, 2007*



**Douglas Martin, Commissioner**  
 (Town of Fort Erie Representative)  
*Appointed April 18, 2007*  
*Term expired November 30, 2007*



**Bob Saracino, Commissioner**  
 (Regional Municipality of Niagara Representative)  
*Appointed December 1, 2000*  
*Term expired November 30, 2007*



**Robert Gale, Commissioner**  
*Appointed February 27, 2006*  
*Term expires February 26, 2009*



**Italia Gilberti, Commissioner**  
*Appointed July 24, 2006*  
*Term expires July 23, 2009*



**David Stewart Howes, Commissioner**  
*Appointed September 6, 2006*  
*Term expires September 5, 2009*



**Edward Werner, Commissioner**  
*Appointed September 20, 2006*  
*Term expires September 19, 2009*



**Fredrick Louws, Commissioner**  
*Appointed November 15, 2006*  
*Term expires November 14, 2009*



**David J. Strathern, Commissioner**  
*Appointed May 30, 2007*  
*Term expires May 29, 2010*



# 2007 Economic Performance

NPC and the region's overall tourism economy continue to face significant challenges in light of a number of issues that have dominated the headlines over the past several seasons. A strong Canadian dollar, increased competition, confusion over passport requirements, rising fuel costs, border delays, a weakening U.S. economy and world hostilities have all had a negative impact on tourism visitations, particularly American visits to Niagara in 2007.

The decline in U.S. visits had a significant effect on NPC's overall revenue generating capabilities in 2007. In fact, gross revenues generated by NPC declined for the second straight season by 1.5% overall, to \$77.5M or \$5.5M less than forecasted.

In terms of operational divisions, revenues generated by NPC's retail facilities were down 3.9% when compared to 2006, while food and beverage revenues increased modestly, growing by 2.8%. Attraction earnings rose by 3.4% however, this was achieved more as a result of an attraction price increase at Journey Behind the Falls rather than any sustained growth in visitation. In fact, year-end attendance figures show visits to NPC's attractions declined by 4% overall in 2007.

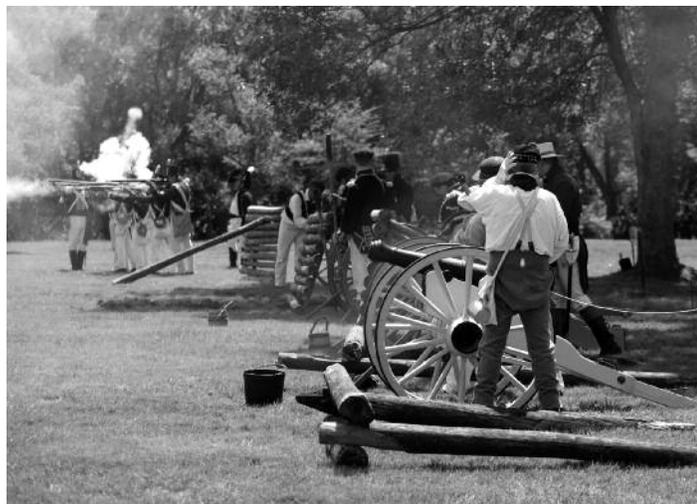
Visits to Niagara Parks' golf courses increased modestly, growing by 2.3% this past year, while Niagara Parks' heritage sites experienced a 13.9% growth in visitation. This growth in heritage visits can be explained in part due to an increase in educational tours, as well as NPC's continued participation in the yearly Doors Open free heritage event, which this year coincided with the 195th anniversary celebrations and re-enactment of the Battle of Queenston Heights.

In terms of overall revenue generation and visitation in 2007, the

Commission was greatly impacted by the late opening of the Maid of the Mist boat operations. Due to ice conditions in the Niagara River, the Maid of the Mist was not able to open until late May, resulting in the loss (Maid Elevator, Retail and Food & Beverage) of approximately \$500K in potential revenues for the Commission.

The sudden and unforeseen bankruptcy of Cirque Niagara also resulted in the write-off of an additional \$255K for the Commission. Cirque Niagara and its dramatic show AVAIA, had opened to spectacular reviews in 2006, and it was anticipated this entertainment offering would help encourage new and repeat visitation to Niagara. It is the reason why NPC entered into a partnership agreement with Cirque representatives; unfortunately the "perfect storm" of events which engulfed Niagara's tourism sector this past season, also claimed the existence of this new tourism offering.

While overall revenues decreased slightly in 2007, NPC's base operational and input costs continued to rise, some at rates exceeding inflation. For example, asphalt costs for road maintenance increased by as much as 30%, due in large measure to the increasing cost of oil (nearing \$100 a barrel).



## 2007 FAST FACTS



- Gross revenues generated by NPC declined for the second straight season by 1.5% overall, reaching \$77.5M for the year. After depreciation, NPC recorded a net loss of \$1.37 Million.
- Attendance at NPC paid attractions decreased by 4% in 2007, reaching 3,435,628. Visits to NPC's golf courses rose slightly, growing by 2.3% to 104,132 total rounds. Visitation to Niagara Parks' Heritage Sites continued to rise, growing by 13.9% for the year, or 31,944 total patrons.
- U.S. visitation now accounts for 51% of all Parks visitors, a decline of 5% over 2006, and a decrease of 14% over 2004, the peak year for U.S. visitation recorded since the initiation of NPC's tracking studies.
- Canadian visitation now accounts for 39% of all Parks visitors, an increase of 6% over 2006. Despite this encouraging trend, revenues derived by Canadian visitors continued to lag behind those generated by American tourists. In fact, U.S. visitors accounted for almost 44% of all retail sales, 64% of all pass sales and 46% of all attraction sales. By comparison, Canadian visitation accounted for only 15% of retail sales, 18% of pass sales and 28% of all attraction sales earned by NPC.
- International visitation to both NPC and Ontario remained relatively stable in 2007. While there was a decline in international visits from several traditional markets including Japan, Germany and France, this was offset by the steady growth of visitations from emerging markets such as South Korea, Mexico and China. Overall, International visitation accounts for 10% of all NPC's visits, yet these tourists generated 41% of all retail, 18% of all pass sales and 26% of all attraction sales.
- The Niagara Parks Commission employed 296 full-time and 1,477 seasonal staff during the tourism season, circulating \$33.5 Million back into the Niagara region economy in payroll.
- In 2007, NPC remitted over \$3.7 Million in Retail Sales Tax to the Province.
- Operating expenses for the year totalled \$70.4 Million, including \$8.1 Million used to plant and maintain the numerous gardens and parklands which surround the Falls and extend along the length of the Niagara River.
- Close to 215,000 Niagara Falls & Great Gorge Adventure Passes were sold to the public in 2007 (174,748 Adult Passes, 40,115 Children Passes), representing over \$6.9 Million in sales.
- In 2007, use of the internet ([www.niagaraparks.com](http://www.niagaraparks.com)) helped NPC achieve over \$550,000 in on-line sales of the Niagara Falls & Great Gorge Adventure Pass.

# Year in Review

## November 2006

### NPC's Floral Showhouse Celebrates 60 Years



In time to coincide with the start of its annual Chrysanthemum show, NPC's Floral Showhouse officially celebrated its 60th anniversary on November 9, 2006, with the holding of a public Open House. For 60 years now, visitors have come to Discover Paradise at this lush oasis, just a short distance away from the mighty cataracts.

### NPC and its Police Employees Reach New Contract Agreement

On November 23, 2006, NPC and its Police employees, members of OPSEU Local 217, were pleased to announce the conclusion of a new four-year collective bargaining agreement between the two parties, after only two days of contract talks. The new deal, which was ratified by both parties, included traditional wage increases, as well as a unique joint cost savings plan, which if achieved by the parties, would result in future savings being shared between the Commission and its Police employees.

## December 2006

### NPC Reaches Contract Settlement with its Parks Employees

On December 7, 2006, NPC and its Parks employees, members of the OPSEU Local 217, were pleased to announce that conciliation efforts had resulted in a mutually beneficial three-year contract agreement being reached.

The new accord, which was ratified by both sides, includes wage increases and improved working conditions for Park employees, as well as provides operational efficiencies for the Commission.

## January 2007

### NPC's Liz Klose Named Horticultural Educator of the Year

Students and staff of the Niagara Parks School of Horticulture were among the recipients of awards bestowed at the Landscape Ontario Horticultural Trades Association Congress Awards of Excellence Ceremony on January 9, 2007. Liz Klose, Superintendent of NPC's School of Horticulture, was



honoured for her many years of support for horticulture at the college level when she was presented with the "College Horticulture Educator of the Year Award". Two NPC School of Horticulture students were also presented with awards: Amy Doan, a second year student, was presented with the Tony DiGiovanni Scholarship, while Sarah Wilson, a third year student, received a post-secondary scholarship from the Ontario Horticultural Trades Association.

### A Bug-A-Licious Start to the Butterfly Conservatory's 10th Anniversary

Helping kick-off the year long celebrations planned for the Butterfly Conservatory's 10th anniversary, the popular Bug-a-licious International Insect Food Festival returned on the weekend of January 21, 2007.

Renowned bug aficionado and Chef Jeff Stewart, Professor at Niagara College's Culinary Institute, was once again on hand to demonstrate how different cultures from around the world make use of insects for their food and nourishment needs. Menu items prepared over the two-days included: Chupe de Hormiga (Ant soup), Scorpion Pizza and Brazil Nut and Beetle Bon-Bons.

## February 2007

### Savouring the Delightful Scenes and Tastes of Niagara in Winter

The beginnings of a new winter tradition were established on February 25, 2007, as NPC's expert team of Chefs combined their culinary skills to prepare a delectable showcase of Niagara's finest foods and wines. Those attending this celebration of Niagara's finest had the chance to savour masterful food creations at ten unique tasting stations, while local wineries Chateau de Charmes, Creekside Winery, Joseph's Estate Winery and Pillitteri Estate Winery, along with Niagara Falls Brewery and Molson Brewery, provided samples of their most popular offerings.

## March 2007

### Jim Williams Reappointed NPC Chairman

On March 10, 2007, the Provincial Government announced the reappointment of Jim Williams as Chairman of The Niagara Parks Commission. First appointed in 2004, Chairman Williams assumed his responsibilities at a time of significant challenge and change for both the Parks and Niagara's tourism industry. Emerging from a 2003 season in which Niagara Parks posted its first financial loss in over half a century, Mr. Williams moved quickly to help

bring stability to the Commission's finances and operations. He then instituted a successful community consultation program aimed at bringing the Commission and community closer together. This exercise proved to be invaluable and provided the Commission with new insight and input concerning future development opportunities.

### School of Horticulture Graduation and Awards Ceremony



On Saturday March 31, 2007, graduation and award ceremonies were held for the students of NPC's School of Horticulture. Chairman Williams and NPC General Manager John Kernahan were pleased to attend and provide greetings and congratulations on behalf of the Commission on this special day. As seen in the accompanying photo, the graduating class of 2007 includes: Noah Nicol, Sarah Wilson, Tom Hickey, Mell Dell (Niagara Parks Diploma 69-Guest Speaker) and Tom Laviolette (Superintendent, NPC Botanical Gardens and Butterfly Conservatory) all standing in the back row. Pictured in the front row are: Andrew Nieder, Daniel Klomp, Yuzura Kajjya, Tessa Pattison, Yukiko Matsushima (Awaji Landscape Planning and Horticultural Academy International Student), Elizabeth Whitehead and Liz Klose (School Superintendent).

# Year in Review

April 2007

## Bicentennial Logo Contest Winner Selected

NPC, in partnership with the Niagara 1812 Legacy Council were pleased to announce on April 3, 2007, that the artwork of Elaine Wallis of Niagara Falls, had been selected as the winner of the Niagara 1812 Legacy Council Logo contest. Ms. Wallis' work was chosen as it appropriately commemorates the War of 1812 and all its participants, while providing a proud symbol to be used to celebrate 200 years of enduring peace which has existed between Canada and the United States.

## Table Rock Redevelopment Begins

Site work for the Table Rock Redevelopment Project officially commenced on April 26, 2007 when NPC Chairman Jim Williams, joined by Ontario Minister of Tourism Jim Bradley and Niagara Falls Mayor Ted Salci broke ground for phase one renovations at the facility. Charter Building Company of St. Catharines, Ontario, was selected as general contractor for the project. Planned renovations include enhancements to the upper levels of the facility, including its restaurant and retail space. An indoor public viewing gallery, elevated pedestrian crossing and landscape improvements are also planned to enhance the year-round accessibility, experience and safety of visitors to the facility.

May 2007

## Swedish Ambassador to Canada Visits Niagara Parks



Her Excellency Mrs. Ingrid Iremark, Ambassador of Sweden to Canada, made a special visit to Niagara Parks on May 15, 2007. Speaking to a diverse group of invited guests at NPC's School of Horticulture, Ambassador Iremark made a presentation to commemorate the travels of Swedish explorers, particularly Carl Linnaeus and his protégé Peter Kalm, who helped to document Niagara and the natural habitat of this region centuries ago. In fact, Kalm travelled to Canada on several occasions and, among many other things, made a vivid description of Niagara that he shared in a letter with his friend Benjamin Franklin in 1750, which Franklin would later publish in the Pennsylvania Gazette in September of that year.

## Niagara Parks Honours Becky Puddicombe

At a ceremony held prior to their regularly scheduled meeting, Niagara Parks Commission Chairman Jim Williams and his Commission colleagues recognized the accomplishments of Becky Puddicombe. Becky is the Niagara Falls resident and Westlane student, who through her actions, garnered national media coverage and support for Niagara Falls in the CBC contest the "Seven Wonders of Canada". To honour Becky for her contribution to boosting Niagara's profile, the Commission presented her with a Certificate of Appreciation, as well as a Season's Family Pass. Becky, who was joined at the event by her parents Karen and Mike, was also presented with a bursary of \$500 to offset her future university costs.

## Butterfly Conservatory Receives Breaking the Barrier Award

To help mark National Access Awareness Week, the Ontario March of Dimes honoured 11 area individuals and organizations for helping to promote integration and equal access for people with disabilities. The Butterfly Conservatory



and Botanical Gardens were honoured to receive the AccessibleNiagara.com Award by sponsor Linda Crabtree, in recognition of this facility's efforts in promoting integration and equal access for people with disabilities.

June 2007

## NPC Code of Conduct Developed



A significant milestone this spring was the culmination of an initiative that was two years in the making – the development of NPC's own Code of Conduct. The Code, which was endorsed by the Commission in May, was officially signed by Chairman

Williams and committee representatives at a ceremony held at Oak Hall on June 7, 2007. The Code provides a set of standards describing the behaviour expected and required of everyone associated with NPC; in essence promoting a culture of respectful and ethical behaviour for everyone associated with the organization.

## Ministry Fun Pass Makes Family Outings More Affordable This Summer

On June 21, 2007, Niagara Falls MPP Kim Craiton and NPC Chairman Jim Williams were pleased to announce the return of the popular Ontario Fun Pass, a Ministry of Tourism initiative designed with mom and dad in mind, to encourage them and their children to see the province by visiting 15 participating provincial attractions and parks during the summer. NPC's Butterfly Conservatory and Old Fort Erie were once again included in the Pass, which was distributed to 1.4 million elementary school students across the province. Chairman Williams and MPP Craiton made the announcement at NPC's Butterfly Conservatory, where they were joined by students from Kate S. Durdan Junior Kindergarten class of Niagara Falls, who were some of the first students to receive their Pass.



# Year in Review

## July 2007

### Pizza Pizza and Niagara Parks Light Up The Sky

On a beautiful Saturday evening, Queen Victoria Park basked in the glow of one of the largest fireworks shows Niagara has ever witnessed. Thanks to the efforts of NPC, and one of its longest serving corporate partners Pizza Pizza, this fireworks spectacular drew over 60,000 visitors to the Park to witness the awe-inspiring sights and sounds of this one time, one-of-a-kind Falls event.

### Niagara Parks Becomes a Leader in Accessible Golf

In July, NPC's Legends on the Niagara Golf Complex became the first public golf course in Ontario to offer the SoloRider golf cart, thereby enhancing the facility's overall accessibility for those looking to play its courses. Golfers with mobility impairments now have the opportunity to play a full round at any of Legends three courses, on the specially designed 350-degree swivel seat golf cart which elevates to allow players to tee off and putt, and has turf-friendly designed tires that allow travel onto the greens and even into sand traps.



## August 2007

### Provincial Plaque Commemorates Chloe Cooley

On August 23, 2007, NPC and the Ontario Heritage Trust were proud to unveil a provincial plaque to commemorate and recognize Chloe Cooley and the 1793 Act to Limit Slavery in Upper Canada. On March 14, 1793 Chloe Cooley – a black slave in Queenston – was forcibly taken by her owner to be sold in the United States. Black army veteran Peter Martin reported the incident and Cooley's protests to Lieutenant Governor John Graves Simcoe, which led him to introduce the 1793 Act, an early step in the fight to abolish slavery in Canada.

### Niagara Parks 2007 Student Awards

Each year Niagara Parks awards scholarships to nine student employees in recognition of their academic achievements, community involvement and work performance. On August 27 these awards were presented by Chairman Jim Williams in front of both Commissioners and family members. This year's scholarships were presented to: Sarah McVey, Lindsay Morningstar, Amanda Eldridge,



Cassandra Brian, Jenna Warriner, Kristy Wallace, Michael Peters, Jordie Barfield and Colin Fisher. A special First Aid commendation was also presented to Nick Biamonte, Parking Lot Attendant at Queen Victoria Place Complex. On July 7, Nick prevented a potential life-threatening situation when he quickly administered first aid to a summer student employee who lost control of his bicycle on Murray Hill and suffered serious injuries.

### NPC School of Horticulture Hosts Renowned Professor

On August 9, 2007, the Niagara Parks School of Horticulture was pleased to announce Horticultural Professor Dr. Alan Armitage had assumed a teaching and mentoring role with the School while on a sabbatical from the University of Georgia. In Niagara until December 2007, Dr. Armitage provided valuable guidance and assistance to the School's instructors and students, while also providing a popular Walkabout Series at the Botanical Gardens. In his spare time Dr. Armitage conducted research and began writing for his next book. In total, he has written over 350 articles and papers and is the author of 11 popular books.

## September 2007

### Letting Your Spirit Soar at the Butterfly Conservatory

To help celebrate the majestic late-summer migration of the Monarch Butterfly, NPC held a special educa-

tional exhibit at its Butterfly Conservatory from September 1 to 9, 2007. The exhibit provided many interesting facts about the Monarch, its life cycle, and incredible migration south of the border. As part of this exhibit, guests were allowed to purchase their own Monarch Butterfly for release outside of the Conservatory. Each of these butterflies was "tagged," thereby allowing visitors to track the progress of their Monarch's flight to its wintering home through the website [www.monarchwatch.com](http://www.monarchwatch.com).

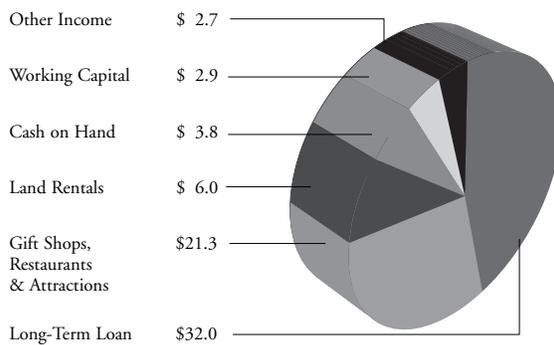
## October 2007

### 195th Anniversary of the Battle of Queenston Heights

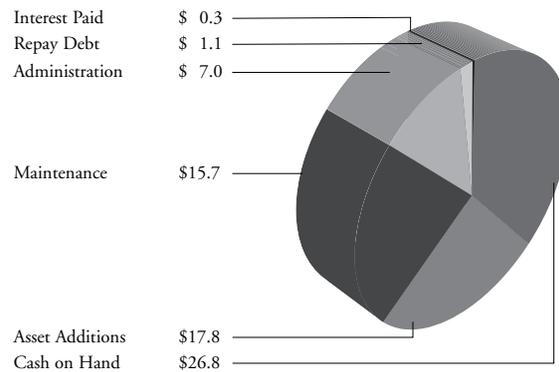
On October 13, 1812, in what was the first major land battle of the War of 1812, an American invasion force crossed the Niagara River, scaled the Heights of Queenston and began to lay siege to the Village. Combined forces of British regulars, Canadian Militia, Native Warriors and a volunteer colour corps mounted a stiff resistance and defence of Canada in what was to become a pivotal Battle in Canadian history. To help commemorate the 195th anniversary of this Battle, NPC and its partners hosted a series of events including a march from Fort George to Queenston Heights Park, a military re-enactment and battlefield tours.

# Business Climate

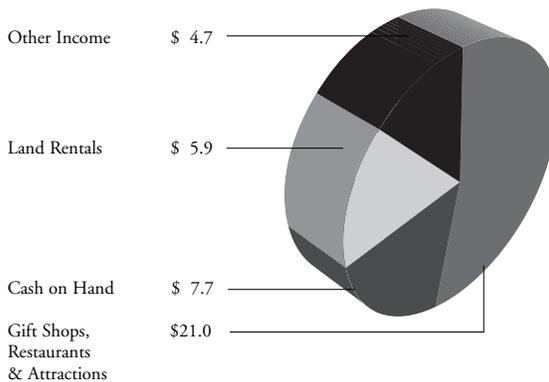
**Where Money Came From: 2007  
(\$Millions)**



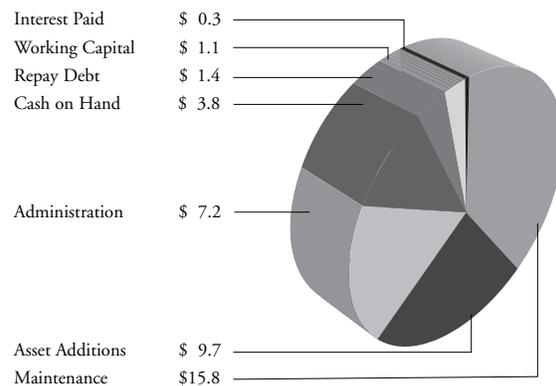
**Where Money Went: 2007  
(\$Millions)**



**Where Money Came From: 2006  
(\$Millions)**



**Where Money Went: 2006  
(\$Millions)**



**COMPARATIVE PERFORMANCE - Gift Shops, Restaurants, and Attractions (\$Millions)**

	2007	% Of Sales	2006	% Of Sales
Income	\$68,813	100	\$ 68,659	100
Cost of Goods Sold	12,518	18	12,733	19
Gross Profit	\$56,295	82	\$ 55,926	81
Operating Expenditures	34,973	51	34,935	51
Net Income Before Administrative Overhead & Depreciation	\$21,332	31	\$ 20,991	30

# Attraction Attendance

## 2007 Attendance – Attractions, Golf Courses, Heritage Sites & Transportation

	2007	2006	Increase or (Decrease)
<b>Paid Attractions</b>			
Maid of the Mist Elevator	1,660,659	1,764,564	(103,905)
Journey Behind the Falls	943,724	926,427	17,297
Butterfly Conservatory	470,817	512,368	(41,551)
Whirlpool Aero Car	142,530	139,694	2,836
White Water Walk	196,218	215,150	(18,932)
Sir Adam Beck	21,680	20,995	685
<b>Total</b>	<b>3,435,628</b>	<b>3,579,198</b>	<b>(143,570)</b>
<b>Golf</b>			
Oak Hall Par 3 Golf Course	5,001	4,831	170
Whirlpool Golf Course	38,033	36,434	1,599
Legends on the Niagara	61,098	60,503	595
<b>Total</b>	<b>104,132</b>	<b>101,768</b>	<b>2,364</b>
<b>Historic Sites</b>			
Old Fort Erie	17,115	17,642	(527)
Laura Secord Homestead	7,354	6,055	1,299
Mackenzie Printery	3,913	2,900	1,013
McFarland House	3,562	1,451	2,111
<b>Total</b>	<b>31,944</b>	<b>28,048</b>	<b>3,896</b>
<b>Transportation</b>			
People Movers	234,786	*275,186	(40,400)
Falls Incline Railway	737,342	741,387	(4,045)
<b>Total</b>	<b>972,128</b>	<b>1,016,573</b>	<b>(44,445)</b>
<b>TOTAL</b>	<b>4,543,832</b>	<b>4,725,587</b>	<b>(181,755)</b>

\*Please Note: 2006 figure has been adjusted to reflect additional ridership not originally recorded.

# The Niagara Parks Commission

## 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 principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. 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 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 Auditor General. Crawford, Smith and Swallow Chartered Accountants LLP has full and free access to the records of the Commission



John A. M. Kernahan  
General Manager  
December 14, 2007



Robert J. McIlveen  
Executive Director, Corporate Services  
December 14, 2007

## AUDITORS' REPORT

*To The Niagara Parks Commission, the Minister of Tourism and the Auditor General*

Pursuant to the Niagara Parks Act which provides that The Niagara Parks Commission, an agency of the Crown, shall be audited by the Auditor General 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, 2007 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 at October 31, 2007 and 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  
Licensed Public Accountants  
Niagara Falls, Ontario  
December 14, 2007

# Balance Sheet ~ October 31, 2007

## STATEMENT 1

	<i>(In thousands of dollars)</i>	
<b>Assets</b>	2007	2006
	\$	\$
<b>Current Assets</b>		
Cash	26,830	3,768
Accounts receivable	1,763	2,257
Inventories		
Saleable merchandise	3,330	3,432
Maintenance and other supplies	1,282	1,215
Prepaid expenses	400	480
	33,605	11,152
<b>Fixed Assets</b> - notes 3 and 4	142,542	133,005
	<b>176,147</b>	<b>144,157</b>
 <b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	8,783	5,646
Accrued payroll	1,027	1,854
Current portion of long-term financing	1,190	1,109
	11,000	8,609
<b>Long-Term Financing</b> - note 4	33,818	3,008
<b>Post-Employment Benefits</b> - note 5	3,457	3,294
<b>Commitments</b> - note 7		
<b>Contingencies</b> - note 8		
<b>Equity</b> - Statement 2	127,872	129,246
	<b>176,147</b>	<b>144,157</b>

see accompanying notes

Signed on behalf of the Commission:




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Chairman

Commissioner

# Statement of Equity ~ for the year ended October 31, 2007

## STATEMENT 2

*(In thousands of dollars)*

	2007	2006
	\$	\$
<b>Equity, Beginning of Year</b>	129,246	129,898
<b>Net Loss for the Year</b> - Statement 3	(1,374)	(652)
<b>Equity, End of Year</b>	<b>127,872</b>	<b>129,246</b>

see accompanying notes

# Statement of Operations ~ for the year ended October 31, 2007

## STATEMENT 3

	<i>(In thousands of dollars)</i>	
	2007	2006
	\$	\$
<b>Income</b>		
Gift shops, restaurants and attractions	68,813	68,659
Land rent	6,037	5,914
Commissions, rentals and fees	2,535	3,425
Premium (loss) on United States funds – net	(360)	460
Gain (loss) on disposal of fixed assets – net	40	(3)
Sundry income	464	202
	77,529	78,657
<b>Expenses</b>		
Gift shops, restaurants and attractions		
Cost of goods sold	12,518	12,733
Operating expenses	30,969	31,075
Maintenance	13,216	13,178
Administrative and police	9,681	9,819
Marketing and promotion	4,004	3,860
	70,388	70,665
<b>Net Income for the Year before Undernoted Items</b>	7,141	7,992
<b>Other Items</b>		
Interest expense - net - note 9	331	305
Depreciation - note 10	8,184	8,339
	8,515	8,644
<b>Net Loss for the Year</b>	<b>(1,374)</b>	<b>(652)</b>

see accompanying notes

# Statement of Cash Flows ~ for the year ended October 31, 2007

## STATEMENT 4

	<i>(In thousands of dollars)</i>	
	2007	2006
	\$	\$
<b>Operating Activities</b>		
Net loss for the year	(1,374)	(652)
Charges against income not requiring an outlay of funds		
- post-employment benefits	356	376
- depreciation	8,184	8,339
- loss (gain) on disposal of fixed assets - net	(5)	216
	7,161	8,279
Net change in non-cash working capital balances related to operations - note 12	2,919	(1,059)
<b>Funds provided by operating activities</b>	<b>10,080</b>	<b>7,220</b>
<b>Investing Activities</b>		
Fixed asset acquisitions - note 12	(17,799)	(9,764)
Proceeds on sale of fixed assets	83	32
<b>Funds used by investing activities</b>	<b>(17,716)</b>	<b>(9,732)</b>
<b>Financing Activities</b>		
Net increase (decrease) in long-term financing	30,891	(1,244)
Cash outlay related to post-employment benefits	(193)	(198)
<b>Funds provided (used) by financing activities</b>	<b>30,698</b>	<b>(1,442)</b>
<b>Increase (Decrease) in Cash Position</b>	<b>23,062</b>	<b>(3,954)</b>
<b>Cash Position, Beginning of Year</b>	<b>3,768</b>	<b>7,722</b>
<b>Cash Position, End of Year</b>	<b>26,830</b>	<b>3,768</b>

see accompanying notes

# Notes to Financial Statements ~ for the year ended October 31, 2007

## Organization

The Niagara Parks Commission is governed by the Niagara Parks Act. Initially established in 1885, the Commission is an "Operational Enterprise" of the Province of Ontario and is responsible for maintaining, protecting and showcasing over 1,700 hectares of parkland stretching some 56 kilometres along the Niagara River from Lake Erie to Lake Ontario. The Commission is exempt from corporate income taxes under the Income Tax Act (Canada) and Ontario Corporations Tax Act.

## 1. Significant Accounting Policies

### Basis of accounting

The financial statements of The Niagara Parks Commission (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:

### Revenue recognition

Income from gift shops, restaurants and attractions are recognized when merchandise has been transferred or services have been rendered. Income from land rent, commissions, rentals, fees and sundry are recognized over the life of the agreement or when earned.

### Inventories

Inventories of saleable merchandise are valued at the lower of average cost 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 33 per cent for buildings, roadways and structures, 10 to 33 per cent for equipment and furnishings and from 8 to 33 per cent for vehicles.

### Foreign currency translation

These financial statements are presented in Canadian dollars. Assets and liabilities denominated in foreign currencies are translated at the exchange rates in effect at the balance sheet date. Gains and losses on translation are reflected in net earnings of the period.

### Capitalized interest

The Commission capitalizes an amount of interest on all funds expended for those capital works in progress and financed via long-term financing.

## 2. Accounting Changes

*Financial Instruments - Recognition and Measurement and Financial Instruments - Disclosure and Presentation.* These new standards prescribe when a financial instrument is to be recognized and derecognized from the balance sheet and at what amount these financial instruments should be recognized. It also specifies how financial instrument gains and losses are accounted for. Under these new standards, all financial assets are classified as held-for-trading, held-to-maturity, loans and receivables or available-for-sale and all financial liabilities must be classified as held-for-trading or other financial liabilities. In addition, an entity has the option to designate financial assets or liabilities as held-for-trading or financial assets as available-for-sale on initial recognition or upon adoption of those standards, even if the financial instrument was not acquired or incurred for the purpose of selling or repurchasing it in the near term.

# Notes to Financial Statements ~ for the year ended October 31, 2007

## 2. Accounting Changes - continued

All financial instruments are required to be measured at fair value on initial recognition except for certain related party transactions. After initial recognition, financial instruments should be measured at their fair values, except for financial assets classified as held-to-maturity or loans and receivables and other financial liabilities, which are measured at cost or amortized cost using the effective interest method. Financial assets classified as available-for-sale that do not have a quoted market price in an active market are measured at cost. Amortization related to financial assets classified as held-to-maturity or loans and receivables and other financial liabilities and unrealized gains and losses related to financial assets and liabilities classified as held-for-trading are recorded in net earnings for the period in which it arises. If a financial asset is classified as available-for-sale, the cumulative unrealized gain or loss is recognized in accumulated other comprehensive income and recognized in earnings upon the sale or other-than-temporary impairment.

The Commission has adopted the following classification for financial assets and financial liabilities:

- Cash and cash equivalents are classified as held-for-trading.
- Accounts and other receivables are classified as loans and receivables.
- Accounts payable and other accrued liabilities and long-term financing are classified as other financial liabilities.

The new standards require all derivative financial instruments to be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship. An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. If certain conditions are met, an embedded derivative is separated from the host contract and accounted for as a derivative in the balance sheet and measured at fair value. Upon adoption, entities have the option to recognize as an asset or liability all embedded derivative instruments that are required to be separated from their host contracts. As at October 31, 2007, the Commission does not have any material outstanding contracts or financial instruments with embedded derivatives that require bifurcation.

## 3. Fixed Assets

	<i>(In thousands of dollars)</i>			
	Cost	Accumulated Depreciation	2007	2006
	\$	\$	\$	\$
Land	13,555	-	13,555	13,555
Land improvements	17,135	-	17,135	17,135
Buildings, roadways and structures	154,661	68,094	86,567	88,647
Equipment and furnishings	35,536	27,122	8,414	9,933
Vehicles	9,164	7,572	1,592	1,917
	230,051	102,788	127,263	131,187
Capital works in progress	15,279	-	15,279	1,818
	<b>245,330</b>	<b>102,788</b>	<b>142,542</b>	<b>133,005</b>

# Notes to Financial Statements ~ for the year ended October 31, 2007

## 4. Long-Term Financing

*(In thousands of dollars)*

	2007	2006
	\$	\$
Fixed rate term loan requiring principal payments of \$2,640,907 per annum, bearing interest at 5.06% through to April, 2027	32,000	-
Fixed rate term loan requiring principal payments of \$1,000,000 per annum, bearing interest at 4.01% through to December, 2009	3,000	4,000
The Commission has an obligation under capital lease, bearing interest of nil, requiring monthly payments of \$ 489 to October, 2009, secured by equipment with a net book value of \$ 11,670	8	14
The Commission has an obligation under capital lease, bearing interest of nil, requiring one payment of \$ 81,363 to November, 2006	-	81
The Commission has an obligation under capital lease, bearing interest of nil, requiring monthly payments of \$ 2,779 to March, 2007	-	13
The Commission has an obligation under capital lease, bearing interest of nil, requiring monthly payments of \$ 875 to September, 2007	-	9
	<hr/> 35,008	<hr/> 4,117
Less portion due within one year	1,190	1,109
	<hr/> <b>33,818</b>	<hr/> <b>3,008</b>

The principal payments of the long-term financing obligations are due in the next five fiscal periods are as follows:

*(In thousands of dollars)*

	\$
2008	1,190
2009	2,034
2010	2,084
2011	1,139
2012	1,196

# Notes to Financial Statements ~ for the year ended October 31, 2007

## 5. Post-Employment Benefits

### Defined Termination Benefit

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 to a maximum of 26 weeks. The accrued benefit liability as at October 31, 2007 is \$ 3,456,833 (2006 - \$ 3,294,058).

As a result of an actuarial valuation conducted in 2007 for the year ending October 31, 2007, it was determined that an actuarial gain of \$ 242,488 existed. The actual obligation as at October 31, 2007 is \$ 3,214,345 (2006 - \$ 3,359,635). Since the actuarial gain is less than 10% of the actual obligation, no minimum amortization has been recorded for the year.

The Commission requires that an actuarial valuation of the post employment benefits be conducted every three years. Therefore, the next valuation required would be for the year ending October 31, 2010.

### Defined Benefit Plan Information

*(In thousands of dollars)*

	2007	2006
	\$	\$
Employee benefit plan assets	-	-
Employee benefit plan liabilities	3,457	3,294
<b>Employee benefit plan deficit</b>	<b>3,457</b>	<b>3,294</b>
Benefit obligation recognized on the balance sheet		
Benefit obligation, beginning of year	3,294	3,116
Expense for the year	356	376
Benefits paid during the year	(193)	(198)
<b>Benefit obligation, end of year</b>	<b>3,457</b>	<b>3,294</b>

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

**Interest (Discount) Rate** - The accrued obligation and the expense for the year were determined using a discount rate of 5%.

**Salary Levels** - Future salary and wage levels were assumed to increase at 3% per annum.

### Pension 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. These plans are accounted for as defined contribution plans, as the Commission has insufficient information to apply defined benefit plan accounting to these pension plans.

The Commission's obligations related to the PSPF and OPSEU Pension Fund was \$ 1,541,361 (2006 - \$ 1,522,827) and are included in the administrative and general expenses in the Statement of Operations.

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

# Notes to Financial Statements ~ for the year ended October 31, 2007

## 6. Credit Facilities

The credit facilities, which have a maximum borrowing capacity of \$ 15,000,000, provide for two types of loans. There is a variable rate option with a rate which varies with the Bank of Montreal's prime rate and there is a fixed rate operating loan facility available for terms of 30/60/90/180 or 364 days at rates which are set relative to Banker's Acceptance rates.

## 7. Commitments

The Commission is committed to spending approximately \$ 25,000,000 on capital projects in the next year.

## 8. 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.

## 9. Interest Expense

*(In thousands of dollars)*

	2007	2006
	\$	\$
Interest income	(582)	(135)
Loan interest expense	913	440
	<b>331</b>	<b>305</b>

## 10. Depreciation

*(In thousands of dollars)*

	2007	2006
	\$	\$
Depreciation of income producing assets	4,748	4,894
Depreciation of non-income producing assets	3,436	3,445
	<b>8,184</b>	<b>8,339</b>

## 11. Operating Leases

The Commission leases vehicles, equipment and premises under operating leases expiring in various years through 2011. The total obligation under operating leases amounts to approximately \$ 846,691.

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

*(In thousands of dollars)*

	\$
2008	370
2009	290
2010	186
2011	1

# Notes to Financial Statements ~ for the year ended October 31, 2007

## 12. Statement of Cash Flows

Changes in working capital components include:

	<i>(In thousands of dollars)</i>	
	2007	2006
	\$	\$
Accounts receivable	494	(311)
Inventories	35	(1)
Prepaid expenses	80	49
Accounts payable and accrued payroll	2,310	(796)
	<b>2,919</b>	<b>(1,059)</b>

### Acquisition of fixed assets

During the year, fixed assets were acquired at an aggregate cost of \$ 17,799,000 (2006 - \$ 9,764,000) of which nil (2006 - \$ 17,000) was acquired by means of capital leases. Cash payments of \$ 17,799,000 (2006 - \$ 9,747,000) were made to purchase fixed assets.

	<i>(In thousands of dollars)</i>	
	2007	2006
	\$	\$
Interest received	<b>523</b>	<b>135</b>
Interest paid	<b>306</b>	<b>398</b>

## 13. Financial Instruments and Risk Management

### 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 has cash of \$ 5,255,465 that is denominated in US dollars. This account has been converted to the Canadian equivalent at the rate of \$ 0.9325 US equals \$ 1 Canadian. The Commission realizes approximately 18.1% (2006 - 17.04%) of its sales in foreign currency. Consequently, some assets and revenues are exposed to foreign exchange fluctuations.

### Cash Flow Risk

The Commission has a variable rate bank overdraft facilities bearing interest which varies with the prime interest rate. Accordingly, the Commission is exposed to cash flow risks relating to potential fluctuations in market interest rates.

## 14. Capitalized Interest

The Commission has capitalized \$232,301 of interest related to the expansion of the Table Rock Complex which is likely to be completed in June 2008.

## 15. 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.

## 16. Comparative Figures

Certain comparative figures have been restated to conform with the current year's presentation.