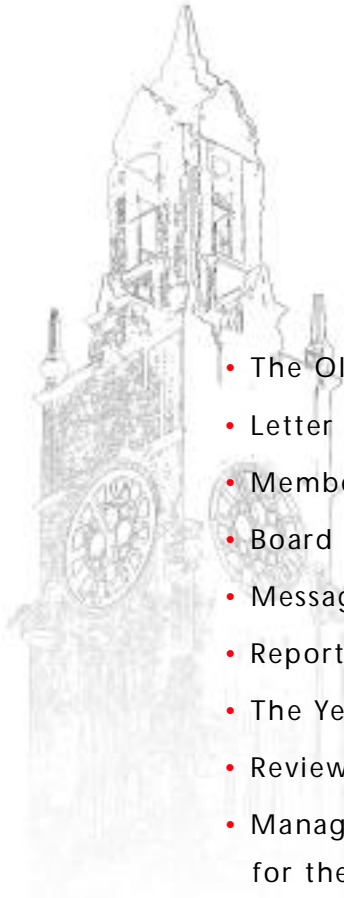


The cover features a photograph of a modern, multi-story building with a large glass facade, illuminated from within at night. The building is situated behind a body of water, which reflects the lights. The sky is a deep blue. In the upper right corner, there is a graphic of several overlapping circles connected by lines, resembling a network or a molecular structure. The text 'Annual Report 2000/01' is written vertically in a light blue font, with '2000/01' being significantly larger than 'Annual Report'.

Annual **2000/01**
Report

Annual 2000/01

Report



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OUR MISSION

To manage, develop and animate an urban recreational, tourist and cultural site and a centre for entertainment and discovery.

OUR VALUES

- We value diversified recreational, cultural and tourism products, animated, affordable and physically and culturally accessible.
- We value an organization focused on our clients' needs, expectations and satisfaction.
- We value effective, efficient and cost-effective management.
- We value drive, creativity and boldness in our teams and partners.
- We value our employees and their contribution to the development and maintenance of a productive and stimulating team spirit.
- We value the architectural and design quality of our buildings, site and facilities.
- We value the conservation and enhancement of the heritage we have been entrusted with.
- We value ongoing, planned and sustainable development.

OUR AMBITIONS

1. Our ambition is for the Old Port to be a major international year-round attraction recognized by the public for its originality:
 - Montréal's showcase on the river.
 - An urban park and a site for entertainment, enjoyment and relaxation.
 - A public meeting place for Montrealers.
 - Montréal's premier entertainment, educational and public site.
 - A site with a unique architectural character.
2. Our ambition is for the Old Port to provide better client services than any other Montréal recreational and tourist facility.
3. Our ambition is for the Old Port to offer a work environment that promotes employee performance and achievements.
4. Our ambition is for the Old Port to be recognized for its effective, efficient and cost-effective management.
5. Our ambition is for the Old Port to minimize the shareholder contributions necessary for the Corporation's operations.

The Honourable Alfonso Gagliano
Minister of Public Works and Government Services Canada
Place du Portage, Phase III
11 Laurier Street
Hull, Quebec
K1A 0S5

Mr. Minister:

I am pleased to submit the Old Port of Montréal Corporation's Annual Report for the 2000-2001 fiscal year.

As a major turning point in the history of the Old Port of Montréal Corporation, 2000-2001 was an exceptional year. The Montréal Science Centre opened its doors and completed its first year in operation. After just twelve months in existence, the Science Centre has become a first-rate attraction. It is now ranked second among Canada's science centres in terms of total attendance!

This year again our site surpassed its previous attendance record by attracting over 7.3 million visitors.

This remarkable achievement, already crowned by many prestigious awards, clearly would not have been possible without your extraordinary cooperation and that of your team, the involvement of industry partners and support from the Government of Canada.

Yours truly,



Bernard Lamarre, Eng., O.C., O.Q.
Chairman of the Board of Directors



CHAIRMAN



Mr. Bernard Lamarre, Eng., O.C., O.Q.
Chairman of the Board
Groupe Bellechasse Santé Inc.

DIRECTORS



Mr. Vincent Arciresi
President
Commission scolaire de
la Pointe-de-l'Île



Ms. Hélène Béique, CPM
President
Groupe Archi-Plus Inc.



Mr. Raymond Cyr
Chairman of the Board
Polyvalor Inc.



Ms. Phyllis Lambert,
O.C., C.Q., O.A.L., F.R.A.I.C.
Founding Director and Chair of
the Board of Trustees
Canadian Centre for Architecture

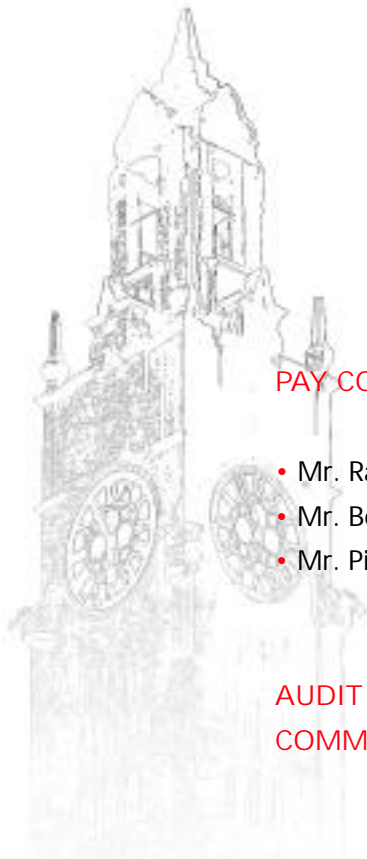


Mr. Pierre Michaud
Chairman of the Board
Reno-Dépôt Inc./Provigo Inc.



Mr. Jocelyn Proteau
President and Chief Executive Officer
Fédération des caisses populaires
Desjardins de Montréal et de l'Ouest
du Québec





PAY COMMITTEE

- Mr. Raymond Cyr
- Mr. Bernard Lamarre, President
- Mr. Pierre Michaud

AUDIT AND ADMINISTRATION COMMITTEE

- Mr. Vincent Arciresi
- Mr. Raymond Cyr
- Mr. Bernard Lamarre, President
- Mr. Pierre Michaud

ARCHITECTURE COMMITTEE

- Ms. Hélène Béique
- Mr. Raymond Cyr
- Mr. Bernard Lamarre, President
- Ms. Phyllis Lambert

T

he past year gave the Old Port team even more reason to be proud. After several years of work, Montréal's first major institution for the dissemination of science and technology, the Montréal Science Centre, was completed in May 2000. The opening of the Centre's magnificent building by the Right Honourable Jean Chrétien, accompanied by the Honourable Alfonso Gagliano and many other dignitaries, marked the birth in our city of an immense showcase for Canadian scientific and technological innovation.

Powering up facilities this size required a few adjustments, which, combined with challenges posed by the changing of the guard with a new President, energized the Corporation's Board of Directors and senior management.

In last year's report I sang the praises of Pierre Émond, recipient of the Grand Ulysse 2000 award. I do not know whether this award gave Mr. Émond the inspiration to travel, because he decided to take his justly deserved retirement after spending 17 years at the helm of the Corporation, having written the success story of the Old Port. Under Mr. Émond's command, the Corporation expanded rapidly to what it is today, and I thank him wholeheartedly. Although Mr. Émond

would undoubtedly tell us his team deserves all the credit for the Old Port's success, we know to what extent his personal touch inspired everyone and led the Corporation to be what it is today.

Farewells are always sad, but they are also a time for motivating renewal. On November 6, I was very pleased to welcome Ms. Claude Benoit as President and Chief Executive Officer. I was even happier that, as Vice-President of Programming and Development, she had been responsible for starting up the Montréal Science Centre. Ms. Benoit is the best person to ensure that the Montréal Science Centre and the Corporation's activities develop in harmony with one another.

I would also like to emphasize the excellent work of Pierre Beaudoin, Vice-President of Site Development and Construction, and Marc Grégoire, Vice-President of Marketing and Business Development. After giving their all to the completion of "our" Science Centre, both of them have decided to take up other challenges commensurate with their talents.

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Budget adjustments were required with the advent of the Montréal Science Centre. I would like to tip my hat to our Minister responsible, the Honourable Alfonso Gagliano, who helped us obtain the votes required to complete our activities and take up the many challenges related to the management of this major facility.

Over the years, the Board has always carried out the Corporation's mandate skillfully and meticulously. This pool of know-how was especially valuable in this year of major change, and I thank the members for their work.

The Montréal Science Centre would not have been completed without the unstinting dedication of many highly productive co-ordinators of a major fund-raising campaign, who raised \$11.1 million by canvassing large Canadian firms. For this Canadian première, the Corporation Board would like to join me in extending our heartfelt thanks to the members of our canvassing committees and, of course, to the many contributing companies. This major success would not have been possible without the drive and vision of the two co-chairs of the fund-raising campaign, André Caillé, CEO of Hydro-Québec and Lynton R. Wilson,

Chairman of the Board of BCE Inc. Their commitment was greatly appreciated.

With new management at the helm, we had an excellent opportunity to assess the Corporation's strengths and weaknesses. Added to the fact that the Old Port of Montréal has taken an important step forward in its history with the new Science Centre, this opportunity has prompted the government to review the Corporation's mandate. The goal is to review priorities in keeping with government objectives and the Corporation's development and funding potential.

After requesting the proper support for such a long time to carry out our mission, we eagerly welcomed this opportunity to discuss the future of the Corporation.

We must take up the challenge of providing tourists and, especially, Montrealers with a dynamic Old Port, a one-of-a-kind, must-see site set on the river's edge, a first-rate tourist and cultural complex, and a major science centre.



Bernard Lamarre, Eng. O.C., O.Q.

T

he year 2000-2001 was a time of major change, mainly because of the opening of the Montréal Science Centre. The opening of the Centre was a catalyst, bringing change to all the Corporation's areas of activity. Literally, the Old Port is a renewed corporation that has embraced innovative management methods and a new team spirit in support of activities that now take place year-round.

The opening of the Centre was a resounding success in every sense of the word. Attendance has already attained 75% of the forecast cruising speed. It was a great achievement, crowned by the receipt of two prestigious awards: the Prix Ulysse, awarded by Tourism Montréal, and the Lauréat national d'or of the Grands Prix du tourisme québécois, in the Tourist Attraction Category (over 100,000 visitors). These awards bear out the excellent achievements of the Corporation, which has already been honoured by other distinctions in the past. After barely a year in operation, the Montréal Science Centre has become a first-rate museum institution. It ranks second in Canada in terms of total attendance, total revenue and percentage of revenue earned from operations.

The fact that over 745,000 tickets have been sold since May 2000 is a clear indication that visitors of all origins appreciate the unique and innovative character of Quebec's first science complex. And its popularity has not waned, as evinced by the major success of the Montréal museums open-house day in May 2000, which attracted over 5,000 visitors, and Robofolies, an activity held during March 2001 spring break, which attracted more than 20,000 people in ten days.

By nature, the Corporation is a public service, a major player in the recreational, tourism and cultural industry and a commercial enterprise. Striking a balance among these three roles is often challenging, but since its establishment, the Corporation has combined them into an original, popular formula, thanks to the close cooperation of our business partners, to whom I would like to express my sincere thanks. With the advent of the Science Centre, the entrepreneurial aspect has been bolstered, increasing the Old Port's influence, visibility and attractiveness to visitors.

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An accessible, free and user-friendly public service

Entertainment is an important aspect of the Old Port's identity. A large proportion of the site is made up of parks and multi-purpose spaces for taking a stroll, watching the river and attending cultural and entertainment events. The public is taking full advantage of the site, as attested by the 7.3 million visitors¹ recorded in the year, over 70% of whom were Montrealers who returned many times in the same season. The repeat visits clearly show that the community has adopted the Old Port of Montréal as its own.

A recent analysis of the reasons why Old Port visitors keep returning confirms that a large number of clients go to the site mainly to relax and have a good time. Results showed that three quarters of the visitors returned to the Old Port to "take a walk, watch people, take in the atmosphere, skate or ride a bike". The Old Port is also a favourite with families. Its program of free or affordable activities and the special services offered to school children and seniors give it an important social role.²

A major player in the recreational, tourism and cultural industry

From an economic development point of view, the Old Port has been recognized for years for its potential to attract visitors to Montréal. Building on the IMAX Theatre's success, the Old Port has diversified, improved and greatly increased the number of its services this year, with the permanent exhibits at the Montréal Science Centre, the interactive movie-game Immersion and, especially, a new array of year-round activities.

Montrealers are unanimous: the Old Port is a major recreational, tourism and cultural centre, and its reputation as a major attraction makes it a must-see. As it grows, the site is taking its rightful place as a Montréal landmark. Because of its high attendance figures, the Old Port is a key contributor to the recreational and tourism development of surrounding neighbourhoods and brings in business for local recreation and tourism suppliers. According to a recent study, the Old Port has generated \$71 million for the area and created 1,272 direct and indirect jobs.³

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1. SODEM, 2001
2. L'Observateur, 1999
3. DBSF, 2000

Initiatives including the municipality's desire to strengthen Old Montréal as a cultural tourism centre, the imminent re-opening of the Lachine Canal to pleasure boating and the planned investment in Jean Drapeau Park will soon require discussion and cooperation in order to address major transportation, traffic and urban integration issues.

In addition, the opening of the Montréal Science Centre on May 1, 2000 endowed Montréal with a facility that promotes scientific and technological literacy among the community and the public, especially young people.

A commercial enterprise

The year 2000-2001 gave us the opportunity to diversify our products and step up the marketing of products offered by the Corporation and its partners. Although each Corporation component is independent, the Old Port's success rests on the synergy, harmonization and critical mass of products offered to the public.

To adapt its practices to increasing business and tourism industry requirements, the Corporation has implemented strategies so that partners can share in the profits of the Old Port's activities. This enabled the Corporation to recruit 65 sponsors for the Science Centre, bring on board over a dozen new commercial partners for restaurants and boutiques, receive several grants for Centre programs and significantly improve its funding base.

Looking back at the 2000-2001 fiscal year's achievements, we are confident that the Corporation can consolidate its vocation, renew its mandate and continue to grow, thus increasing revenue.

The Montréal Science Centre opened its doors on time. However, to stay within allocated envelopes and because of market costs, some products could not be delivered. Not all objectives were met, and some forecasts have been or will have to be revised, allowing new challenges to develop in the future.

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The creation of the Montréal Science Centre consolidated the Old Port of Montréal's position as a leading family destination. With its interactive nature, the Centre is mainly targeted at young people, school children and families in search of new and exciting experiences. While posing a challenge, the interactive element attracts clients and encourages us to diversify our products so as to meet the more specific needs of seniors, the economically disadvantaged, single-parent families and an increasingly educated public.

I would be remiss if I did not underline the popular success of Mosaïcultures Internationales - Montréal 2000. Awarded the highest recognition at the Grand Prix du tourisme québécois in the Event of the Year category, this activity had a major impact, both by bringing in new clients and showcasing a part of our site, which had, up until then, been underused.

The Corporation business plan for the 2000-2005 planning period contains ambitious objectives for the whole Corporation team, and each of the

Corporation's 400 employees had to take up the challenge to achieve these objectives as part of their individual work.

As I was already working at the Corporation when I was appointed President and CEO, the transition was smooth, thanks to the unwavering support of the entire team and, especially, Ms. Dany Bleau, Vice-President of Administration and Human Resources, Mr. Pierre-Luc Brodeur, Vice-President of Site Management, who were already in their positions when I arrived, Mr. Pierre Fortin, whom I would like to welcome as the new Vice-President of Marketing and Customer Service, and Mr. Benoît Légaré, Programming Advisor. The following review is a testament to the hard work they carried out with the help of their teams. I thank them all from the bottom of my heart for the year's unrivaled successes ■



Claude Benoit

In accordance with its mission and to realize its long-term ambitions, the Old Port of Montréal Corporation has adopted six general objectives for 2000-2001:

1. Quality hospitality - to become a customer service model;
2. Interesting activities - to deliver a diversified and unique programming that meets and anticipates our clients' needs and wishes;
3. Influence - image and reputation - while ensuring the visibility of its shareholder, the Government of Canada, to be known and appreciated by its clients, including local, other Canadian and foreign visitors;
4. Quality facilities - to maintain the site in ideal condition and improve the facilities;
5. Cost-effective operations - to ensure financial autonomy with respect to operations;
6. Human resources management - to ensure that human resources are up to the task and continue empowering, motivating staff and making them accountable. To develop a sense of belonging among Old Port employees.

In keeping with these objectives, the Old Port of Montréal Corporation presents its activity report for the current year.

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1. Our territory

The position of Vice-president of Site Management was created when the positions of Vice-president of Operations and Vice-President of Site Development and Construction were merged. The incumbent is responsible for three divisions: Operations, Maintenance and Construction, and Parking. In this pivotal year, a number of changes shaped the operations of this new position.

The start-up of the Montréal Science Centre resulted in the consolidation and implementation of our action plans: we centralized and automated our building security system, installed a new parking ticket system and co-ordinated resources to maintain a new multi-purpose building. We can now say mission accomplished, because nothing yet has disrupted the regular operations of our highly popular site.

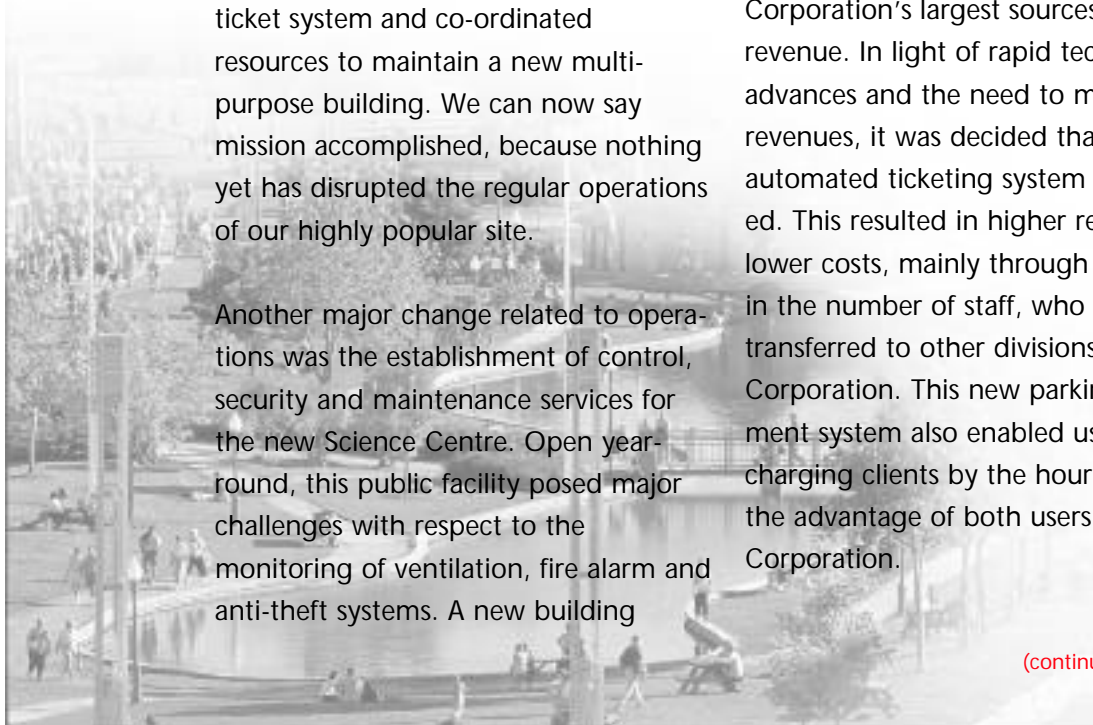
Another major change related to operations was the establishment of control, security and maintenance services for the new Science Centre. Open year-round, this public facility posed major challenges with respect to the monitoring of ventilation, fire alarm and anti-theft systems. A new building

automation systems station now provides monitoring services around the clock. The other buildings on the Old Port site, including the parking lots, are also monitored. As a result, we provide increased security for employees and visitors.

Our employees were continuously involved in every aspect of the Science Centre's development, from the start-up of construction and delivery of the building to the installation of new maintenance systems, completion of the Centre's construction and fit-up of the interior and exterior.

The Parking division is one of the Corporation's largest sources of revenue. In light of rapid technology advances and the need to maximize our revenues, it was decided that a new automated ticketing system was needed. This resulted in higher revenue and lower costs, mainly through a reduction in the number of staff, who were transferred to other divisions in the Corporation. This new parking management system also enabled us to start charging clients by the hour, which is to the advantage of both users and the Corporation.

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The Montréal Science Centre complex covers over 18,000 square metres, doubling the workload of the on-site maintenance team. A janitorial service has been set up with new itineraries and equipment tailored to needs. This increases the effectiveness of janitorial staff, to the great benefit of our clients.

Following the Auditor General of Canada's recommendations in his 1999 special examination report, the Operations team worked closely with Public Works and Government Services Canada (PWGSC) and Real Property Services, in Montréal, to prepare a real property status report and an assets management plan. The Corporation provided PWGSC, owner of the land and buildings, with the required support. The real property status report is being completed. Once this report is drafted, we must develop a preventive maintenance plan with PWGSC. A major investment program will then be developed in cooperation with PWGSC. Given the dilapidated state of the piers, for example, major, extensive and expensive work will have to be carried out over the next five years.

2. Our products

This year, the Vice-President of Programming became responsible for three divisions: Culture and Leisure (events and activities), Business and Entertainment (IMAX, Immersion and concession stands) and Science and Technology (exhibits, cultural and educational activities).

The opening of the Montréal Science Centre gave us an opportunity to diversify our products and attract people year-round. The exhibits and public services were developed in keeping with the budget from the fundraising campaign, which raised \$11.1 million thanks to contributions from major Canadian companies. The campaign was a huge success in the Canadian context.

This year, the start-up of the Montréal Science Centre was undoubtedly the activity that monopolized the most of the Programming team's time. After three intense months of fit-ups, the Centre opened in May 2000 and the facilities had to be broken in as we welcomed large numbers of school groups.

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Children's enthusiasm sometimes got the better of our equipment. Steps were quickly taken to solve various operational problems. In the fall, following the busiest attendance period, the teams took stock of the situation and applied corrective action according to user and employee recommendations. As a result, a series of measures were put in place to optimize the performance of the exhibits by the summer of 2001.

The cultural program was highlighted by the Christmas Workshops hosted by artist Florent Veilleux. These workshops had a major impact. In addition, Robofolies, held during the March 2001 spring break, was a great success. These new, unique activities enabled the Montréal Science Centre to position itself as a first-rate family destination.

Guided tours and workshops made up the bulk of the educational and school components. Our new recreational and educational activities at the Montréal Science Centre were promoted to our IMAX school groups who responded positively to them. The team also launched two programs for elementary school children, one whose theme was the heart and the other, robotics. Since the fall, many schools have come to visit these tailor-made products.

The Montréal Science Centre's viability and operations are underpinned by three key elements: the interactive scientific and technical exhibits; entertainment, including the IMMERSION movie-game, the renovated IMAX Theatre, and the shops, restaurants and boutiques. Because of market costs and the Corporation's desire to operate within its budget, the Montréal Science Centre was not completed as planned. The construction of major components, including the auditorium, the science arcade, the temporary exhibit room, other basic fit-ups and leasehold improvements for entertainment activities, had to be postponed. A number of scenographic elements, which would have made the complex even more attractive, had to be put off and must be completed in the years to come.

The Old Port site cannot be outdone in terms of the number and diversity of activities. The Old Port offers a long list of cultural and leisure activities to the public, making it a must-see attraction. It is a one-of-a-kind destination both in terms of diversity and quality, whether the event hosted is the Canada Day celebrations, International Beer Festival, Bouquinistes du Saint-Laurent or even more specialized activities, such as Italian Week and the Native People's Pow Wow.

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A record 7,342,000 people visited the Old Port, surpassing last year's record by 9.25%.

Efforts to develop new winter products showed promise, including animating the skating rink with Santa Claus, the Bal des mascottes, the distinctive decorations all over the site and the free Balade. As part of the Montréal Lights Festival, the Bonsecours Pavilion was beautifully lit up on Sunday, February 18, 2001.

The Old Port significantly increased the number of its business and entertainment products in 2000-2001. The Centre now has a 1,000-seat family restaurant, a food court with eight concession stands and a bistro-boutique. In addition, during the summer there are 19 shops set up in shipping containers. It is an original idea, promoting this Montréal innovation, which was originally introduced in the Old Port during the last century. Altogether, the concession holders were pleased with the results, even though the Corporation had higher hopes. Use of the food court in the winter was limited, and the family restaurant has not yet fully established its clientele.

The implementing of new concession stands at the Jacques Cartier Pavilion and Café des Éclusiers was demanding, and the slower months of April and May had a major impact on revenue.

However, it must be pointed out that the contribution of these businesses more than doubled the Corporation's financial performance. Quality and excellence were maintained in the cruises, recreational and equipment rental services, thanks to constant attention by our partners.

The movies *Cirque du Soleil - Journey of Man* and *Dolphins* were a tremendous success. We stopped offering double bills and instead began showing only single features, which were available packaged with other products, including the exhibits and the IMMERSION movie game. We are proud to say that we achieved roughly 90% of our forecasted results.

A first in Canada, the IMMERSION movie game garnered significant results. Over 117 000 people took part in this first component of a science arcade, a concept which is still under development. These diverse products provided our visitors with a stimulating, fun-filled science experience.

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Mosaicultures Internationales- Montréal 2000 attracted over 730,000 visitors to the Parc des Écluses from June 19 to October 8, 2000.



New popular activity this summer in Bonsecours Basin: Grands Voyageurs radio-controlled sailboats.



July 1 is still the busiest day of the year at the Old Port. Over 140,000 visitors took part in Canada Day festivities on July 1, 2000.



In 2000-2001, The Old Port of Montréal attracted a record 7.3 million visitors, a 9.25% increase over last year!



In April 2000, the Old Port was presented with its second award from Attractions Canada, provincial winner in the outdoor site category.



The Old Port of Montréal is one of the most coveted sites by the film and television industry. Fifty-nine national and international films were shot in 2000-2001 and 479 current affairs programs.



In addition to holding the 9th edition of their event at the Old Port, the **Bouquinistes du Saint-Laurent** set up about ten book stalls on the Promenade every summer weekend.



Friday evenings at the Old Port were hopping thanks to the **Labatt Blues shows** on the Bonsecours stage.



For the first time, the **École nationale de Cirque** put on its breathtaking year-end show under the big top at the Old Port!



Caillou, every kid's favourite, put on ten popular shows on the Bonsecours stage in the summer.



The **POW WOW** took place in September on Bonsecours Island, with traditional Native celebrations, dancing and chanting.



Each summer, the Old Port welcomes **boats that are accessible to the public**. These visits are always very popular.



New at the Old Port, the **Dauphins du St-Laurent** offers a cruise aboard a real hydroplane.

Thus, in 2000-2001 we diversified our revenue sources by developing new products and concessions.

3. Our clients and partners

The Vice-President of Marketing and Customer Service is responsible for three divisions: Communications, Sales and Customer Service, and Sponsorship and Funding.

The Science Centre brings a major educational component to the Old Port, consolidating its role as a diversified and highly accessible cultural and recreational site.

The Communications team had a major challenge this year. The advertising and promotional campaign for the opening of the Montréal Science Centre marshaled the energy and creativity of everyone involved.

With respect to media and public relations, the opening of the first science centre in Quebec created media opportunities worth over \$700,000. Over 60 journalists representing 40 different media companies attended the press conference held for the official opening. In the opening week, the Science Centre welcomed approximately 4,000 guests. Special television and radio shows on the Centre were broadcast in cooperation with the CBC and Radio-Canada (Samedi et rien d'autre, 275-ALLO, Home-Run, Radio Noon, Les Débrouillards). In addition, there were reports on the Centre, and promotional tours took place in Quebec City, Toronto and the US (Los Angeles, Boston and Chicago).

The team also organized the promotion and launch of the IMAX theatre's summer and winter programs and co-ordinated the F1 Events, which involved the live broadcast of ten Formula One races on the giant screen during the summer of 2000. This activity was so popular that we decided to repeat it in 2001.

The site's summer program of activities-entitled A New Place to Discover-again confirmed the Old Port of Montréal as a first-rate attraction. The winter advertising campaign, which was not as aggressive as the summer campaign, focussed on media relations activities during the launch of the winter season and a "two-for-one" package for theme evenings at the skating rink. This team consequently became busier with the increased number of activities.

Another highlight was the acquisition and installation of a giant screen on the Science Centre's Passerelle. This information and educational tool is a major addition to the Centre, highlighting its vocation as an advanced technology site.

On the basis of client surveys and comments from our target public, we decided to adopt a new name-from iSci Centre to Montréal Science Centre-a new corporate signature and a new logo. In 2001, we will have the opportunity to promote this signature. Following the example of other scientific and cultural facilities in the city, the Montréal Science Centre must establish itself as a first-choice destination among Montrealers and tourists.

To continue providing exceptional customer service, the Corporation has begun reviewing its signage program in order to achieve an integrated approach in terms of billing, identification and orientation. Visitors will thus be better able to find the activities and have a clearer idea of what we have to offer, and the Government of Canada will have greater visibility.

The number of film shoots on the site increased substantially compared with last year. The shooting of current affairs programs rose by 35% to 479, while commercial films increased by 40% to 59.

Sales and Customer Service was created to co-ordinate activities related to sales, hospitality and information. A training program and intensive coaching were provided.

The implementation of a new integrated ticketing and access control system, and the appropriation and management of telephone sales were major changes for this division. Our new sales staff were busy learning new equipment and operating methods, while having to acquire extensive knowledge of the range of new products and packages.

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This was a major challenge, requiring time for staff to get used to the new products and systems. From May 1, 2000 to March 31, 2001, we attracted some 545,000 visitors and sold close to 746,000 tickets.

Records were broken in terms of group sales. The results show that schools are interested in the Montréal Science Centre exhibits and workshops, which complement the refurbished IMAX theatre. Through group sales, we attracted almost 129,000 visitors who purchased nearly 211,000 tickets.

We were also highly successful in terms of corporate sales. The new fully equipped spaces at the Centre attracted 173 corporate groups from the area, which used them for their launches, promotional or advertising activities.

In terms of sales and customer service related to park activities, we obtained very good results on the site from Port d'Escale, the Bassin Bonsecours skating rink and the Balade.

The corporate agreement with Labatt as an official sponsor for the entire site has been renewed through to 2004, assuring the company a continued 10-year presence, a rare occurrence in sponsorship circles. The extension represents a substantial increase in revenue for the Corporation.

In addition, the agreement with Bell

Mobility to sponsor the Balade was renewed for three years. The Corporation also extended its IMAX Theatre sponsorship agreement with Desjardins until 2002.

With the creation of the Founders' Circle and the cooperation on development programs and projects, our partners were able to ensure their continued involvement with us and we were able to rely on their renewed support and expertise.

A grant was obtained by the Centre's Foundation for the implementation of programs for young people and adults interested in science and technology careers. This enabled us to provide on-site guidance services and a database containing occupations related to the various themes of our exhibits.

A study of overall performance was conducted after the Corporation determined that the Centre's attendance figures were lower than forecasts. In terms of revenue, the marketing assumptions developed by specialized firms on the basis of public surveys were not entirely confirmed. A cursory analysis, carried out with the help of industry recognized standards, enabled us to compare the Centre's performance with that of twelve American and six Canadian science centres.

The results of the study showed that in

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comparison with the situation in the US and elsewhere in Canada, the Centre recorded relatively high performance figures. In other words, taking into account the scope of operations, the Centre's operating costs per square foot are lower than the average, service costs per visitor are generally lower than the average and independent revenue is higher than the average. According to a number of experts, attracting over 545,000 visitors in the first eleven months in operation is a remarkable accomplishment. In addition, 84% of visitors are very or fairly satisfied.⁴ However, because of the challenges posed by the Centre's position on the Montréal and Canadian recreation, tourism and cultural stage and the fact that it must recover lost earning potential, the Corporation must review its products to make them even more attractive.

We must thoroughly review our advertising and promotion strategies for our activities, events and concessions. This will enable us to strengthen client relations, focus on their needs and improve Old Port products, which, in turn, will increase sales opportunities and the potential to attract repeat visitors.

4. Our resources

The Vice-President of Administration and Human Resources is responsible for activities related to the administration of financial, human and information technology resources.

When the Montréal Science Centre opened, the Old Port was in the process of implementing a number of new systems and equipment, which posed a challenge because they had to be integrated, tweaked and monitored. Along with recently installed activity management software, these new systems and equipment will enable the Corporation to use, starting in 2001-2002, high-performance tools needed to accurately control and monitor its budget, commitments, projects, staff and inventory.

Because new systems were implemented, several positions had to be abolished over the course of the year. Most of the people in these positions were transferred within the Corporation. The staffing of new positions to operate the Science Centre gave many employees an opportunity to take up a new challenge within the enterprise.

(continued on next page)

Given the increase in the number of

employees, the Corporation took advantage of the opportunity to design new employee uniforms that better reflect the Old Port and federal government's image, while making staff easier for the public to identify.

In cooperation with the vice-presidencies, the senior management team realigned management. This activity updated the Old Port and its team vision, helped identify key competencies and harmonized the various management styles.

At the same time, the organization needed to consolidate its activities to ensure that all the necessary positions were correctly staffed. As a result, position profiles were reviewed, positions were reclassified and new managers were hired. In addition, we implemented a training program for all managers focussing on employee supervision, motivation and productivity.

Wage demands in the last two years of the five-year collective agreement by unionized permanent, regular and occasional employees were settled with available resources.

In terms of information technology, this

year we set up an Intranet site to disseminate information to Corporation employees more effectively and to significantly reduce the use of paper. Furthermore, we launched the Science Centre's Internet site, which was also labour intensive.

With respect to financial resources, we had no choice but to acknowledge that we cannot expect the Corporation to break even, mainly because the Old Port is a public facility and a heritage site. According to the principles of sound management, however, there is a constant concern for providing the owner, the Government of Canada, with the best return on its investment. This means that everything was done to minimize cost overruns and give the shareholder full recognition for its contribution to the community.

Compared with initial forecasts, some budget items were controlled, whereas others, unfortunately, were impacted by market fluctuations, which are beyond our control. The increase in the cost of natural gas drew heavily on the budget, and the Corporation was unable to control it. In addition, the site's attendance and revenue are at the mercy of the

(continued on next page)



weather. Consequently, we monitored the expenditure budget closely to offset these unavoidable overruns where possible.

Finally, the Treasury Board asked the Minister of Public Works and Government Services Canada to review the Old Port of Montréal's mandate, an important event in the history of the Corporation. This review is being carried out jointly by the Treasury Board Secretariat, Old Port of Montréal Corporation and other departments concerned with the development and viability of the Corporation. The results are to be submitted to the Treasury Board ministers by the end of 2001 and should enable the government to specify its objectives for the Old Port ■



Review of the Financial Results

The opening of the Montréal Science Centre was a highlight of the 2000-2001 fiscal year. This event was the fruit of years of intense work and it has enjoyed considerable success in its first year of operation.

Despite several major changes at the operations level, unforeseen increases in certain expenditure items, and a year of troubleshooting the new systems, the team managed to remain within the bounds of its revised operating budget. Moreover, as a result of a lower-than-forecast attendance, the Corporation made a request for additional funds from the Minister of Public Works and

Government Services to cover a shortfall in the order of \$4.9 million, compared to its initially approved budget.

A first year of operation, a limited advertising budget for the Science Centre's launch and bad weather during the first two months of summer are the main factors that affected the lower-than-expected results. However, the revised forecasts were met in a proportion of 99.5%.

Let us examine the results of this pivotal year for the Old Port of Montréal Corporation:

Table 1 - Revenue

Revenue	Variance between Results and Forecasts		Results 2000-2001	Revised Budget 2000-2001	Results 1999-2000
	(000 \$)	(%)	(000 \$)	(000 \$)	(000 \$)
Animation programs	(7)	-	5 306	5 313	3 049
Parking	(3)	-	3 145	3 148	2 122
Sponsorships	(33)	(3)	901	934	847
Concessions	(58)	(4)	1 505	1 563	743
Other revenue	39	5	860	821	897
Total revenue ¹	(62)	(0,5)	11 717	11 779	7 658
Amortization of deferred revenue			2 889		0
Total revenue after amortization			14 606		7 658

1. Before amortization of deferred revenue.

Animation programs

Revenue jumped by more than 74% compared to 1999-2000. This increase is attributable to the opening of the Science Centre on May 1, 2000.

In fact, attendance practically doubled, resulting in more than \$2.3 million in additional revenue.

With the launch of the Science Centre, the visitor now has a choice of three activities, available for purchase singly or as a package. The average purchase rate is 1.39 activities per visitor, generating an average income of \$5.95 per ticket. This represents a 33% increase, if one considers the double bill presented at the IMAX Theatre last year as the purchase of two activities.

Function room rentals also increased by nearly \$260,000 compared to 1999-2000, representing a positive variance of more than 4% compared to the budget for the year. It should be noted that the supply of rooms available for rent increased substantially with the opening of the new Science Centre. The revised budget estimates for total revenues from the visitor activity programs were met.

Parking

Revenue from daily parking permits brought in \$877,000 more than the previous year, up over 57%, thanks to the reopening of King-Edward Pier, the opening of the Science Centre, and the new hourly rate structure.

Still, the results are 3% below the revised budget, reflecting a variance of \$87,000. This variance can be explained both by lower attendance, as well as a below-average (compared to forecast) parking duration per visitor.

However, the increase in the number of monthly permits and the higher rate structure generated an additional \$147,000 in revenue over last year, for a growth rate of approximately 25%.

The \$84,000 increase compared to the revised budget is attributable to the larger number of permits issued; the increase helped offset the drop in revenue from daily permits, thus ensuring that the total forecasts for parking revenues were met.

Sponsorships

Revenue from sponsorships grew by 6% over the year. This growth is principally attributable to service sponsorships.

A negative variance of 4% was nevertheless noted with regard to the revised budget, the outcome of certain projected sponsorships that failed to materialize over the course of the fiscal year.

Concessions

Revenues from concessions doubled compared to last year's results, due in large part to the presentation of Mosaicultures internationales - Montréal 2000 and an increase in food concessions and film shoot revenues.

A negative variance of 4% was nevertheless noted with regard to the revised budget, the result of revenues from restaurants, boutiques and activities that were impacted directly by the attendance at the Science Centre and the bad weather early that summer. This variance is partially offset by the large number of film shoots on the site, which generated an additional \$22,000 in revenue.

Other revenue

A 4% drop was noted overall, compared to 1999-2000, in connection with the \$62,000 drop in interest income, which was partially made up by the \$25,000 increase in revenues from activities operated by the Corporation, such as La Balade and the Bonsecours Basin skating rink.

The Corporation nevertheless generated 5% more revenue than was forecast in the revised budget, namely \$39,000, from a variety of sources.

Amortization of deferred revenue

The sponsorship and donation agreements signed as part of the Science Centre's initial fundraising campaign were charged off according to the benefits they represent for the partners. Thus the amortization for the 2000-2001 fiscal year was \$2.889million.

Table 2 - Operating expenditures results

Operating Expenditures	Variance between results and forecasts		Results 2000-2001	Revised budget 2000-2001	Results 1999-2000
	(000 \$)	(%)	(000 \$)	(000 \$)	(000 \$)
Territory management	(251)	(4)	6 996	6 745	5 707
Marketing and communications	154	3	4 345	4 499	3 127
Animation programs	272	6	4 217	4 489	2 488
Administration	(143)	(5)	3 296	3 153	2 403
Total of operating expenditures ¹	32	0,2	18 854	18 886	13 725
Amortization of deferred charges			2 396		0
Development costs			503		0
Total of operating expenditures			21 753		13 725

1. Excluding amortization of deferred charges and development costs.

Territory management

Territory management expenditures reveal a 23% increase over the previous year, namely \$1.3 million.

The opening of the Science Centre in May 2000 created many new jobs, generating a payroll increase of more than \$590,000. Add to this result a major \$315,000-increase in energy costs (gas and electricity), a \$217,000 increase in building and property maintenance costs, and a \$178,000-increase in other operating costs.

A negative 4% variance was also noted with regard to the revised annual budget; the variance is attributable to rising energy prices, to municipal tax adjustments for shed rentals, and to additional labour costs required for site security and maintenance.

Marketing and communications

The total marketing and communication expenses reflect an increase of nearly 39% over 1999-2000, attributable notably to salary, promotion and advertising expenses in connection with the opening of the Science Centre.

Economies of more than 3% were realized compared to the revised budget and are attributable principally to a \$93,000 payroll expense and to slight economies in research, advertising and promotion. These economies amount to \$155,000.

Animation programs

Total animation programs expenditures went up approximately 69% compared to 1999-2000; the expense of operating the new Science Centre accounts for nearly the entire increase.

Still, economies in the order of 6% were achieved compared to the revised budget for the year, attributable in part to the reduced cost of certain activities, these having been taken over by the Centre Foundation.

Economies related to payroll were also realized, the final employee staffing having been delayed.

Administration

Administration expenses also grew considerably, by approximately 37% over last year, which growth was made necessary by the advent of the Science Centre. This growth is reflected in the expenditures for salaries, professional services, training, office expenses and telecommunications. What's more, additional expenditures for the recovery of taxes for previous years, telecommunications costs and costs of health & safety indemnities generated a negative variance of nearly 5% compared to the revised budget.

Amortization of deferred charges and development costs

Science Centre start-up expenses and costs related to the advertising sponsorship are amortized according to their useful life; for the financial year in question, amortization thus totals \$2.396 million.

The Centre development costs were charged off to the results for the year, namely \$503,000.

Table 3 - Capital expenditures

Capital expenditures	Variance between results and forecasts		Results 2000-2001	Revised budget 2000-2001	Results 1999-2000
	(000 \$)	(%)	(000 \$)	(000 \$)	(000 \$)
Science Centre building	-	-	0	0	17 986
Other	96	2	5 419	5 515	1 538
Total	96	2	5 419	5 515	19 524

Expenses associated with the Corporation's investments reveal a positive variance of \$96,000.

Action was required in the areas of health and safety, the preservation and consolidation of assets, and equipment renewal.

Table 4 - Revenue versus operating expenditures

	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997
Operating expenditures ⁽¹⁾ (000 \$)	18 854	13 725	13 190	11 818	11 532
Revenue ⁽²⁾ (000 \$)	11 717	7 658	8 698	8 175	8 288
Proportion of expenditures covered by revenue ⁽¹⁾⁽²⁾ (%)	62	56	66	69	72

1. Before amortization of deferred charges and development costs

2. Before amortization of deferred revenue

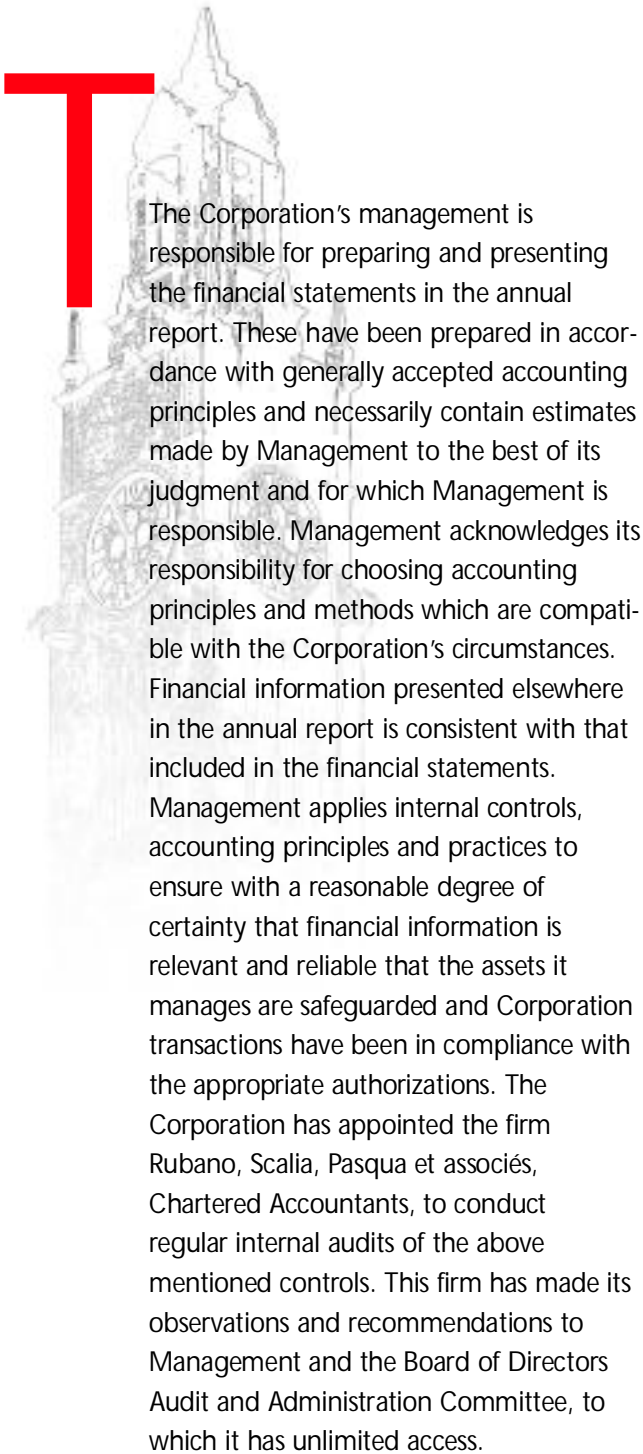


For the past fiscal year, the revenue generated, excluding amortization of deferred revenue and deferred charges and the Centre development costs, covered operating expenditures in a proportion of 62%.

The Corporation is stepping up its efforts to diversify its sources of revenue. The Science Centre will have been the highlight of 2000-2001, boosting the Corporation's revenues, excluding the amortization of deferred revenue, by 53% compared to 1999-2000.

It should be noted that the economic impact of the Corporation's spending, for Québec and Canada, combined with spending by the tourists drawn to Montréal because of the Old Port site, annually support some 1272 direct and indirect jobs, in persons-year, for a payroll of \$26.2 million and an overall added value of \$48.9 million. This economic activity reportedly ensures annual revenues of \$7.7 million for the Government of Canada and for the Employment Insurance program. It apparently also enables the Government of Québec to achieve in the order of \$10.8 million revenues.

Offering a diversified year-round program of activities, while maximizing revenues from different sources, are just some of the challenges that the Corporation will be facing in years to come.

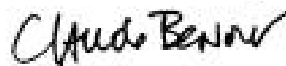


The Corporation's management is responsible for preparing and presenting the financial statements in the annual report. These have been prepared in accordance with generally accepted accounting principles and necessarily contain estimates made by Management to the best of its judgment and for which Management is responsible. Management acknowledges its responsibility for choosing accounting principles and methods which are compatible with the Corporation's circumstances. Financial information presented elsewhere in the annual report is consistent with that included in the financial statements. Management applies internal controls, accounting principles and practices to ensure with a reasonable degree of certainty that financial information is relevant and reliable that the assets it manages are safeguarded and Corporation transactions have been in compliance with the appropriate authorizations. The Corporation has appointed the firm Rubano, Scalia, Pasqua et associés, Chartered Accountants, to conduct regular internal audits of the above mentioned controls. This firm has made its observations and recommendations to Management and the Board of Directors Audit and Administration Committee, to which it has unlimited access.

The Board of Directors is responsible for examining and approving the financial statements and for overseeing how Management discharges its responsibility for the presentation of financial information. The Board exercises this responsibility primarily through the Audit and

Administration Committee, which is composed exclusively of Directors who are neither part of Management nor employed by the Corporation. This Committee examines the financial statements with Management and representatives of the Auditor General of Canada, who is appointed as external auditor by the shareholder, before submitting them to the Board for approval. This Committee also examines the work plans submitted by the internal and external auditors and meets with them in order to discuss their findings and observations regarding the accounting issues, the audit procedures and the presentation of financial information. The Auditor General of Canada is responsible for auditing the transactions and the financial statements of the Corporation and for expressing an opinion on these financial statements.

Management considers that the financial statements present fairly the financial position of the Corporation and the results of its operations and its cash flows. The Board of Directors has studied and approved the financial statements following a recommendation from the Audit and Administration Committee.



Claude Benoit
President and CEO



Dany Bleau, C.A.
Vice-president, Administration and Human Resources



Financial Statements



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Minister of Public Works and Government Services

I have audited the balance sheet of the Old Port of Montreal Corporation Inc. as at March 31, 2001 and the statements of revenue, expenditures and Minister's account and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

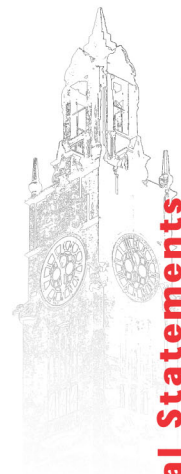
I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Canada Business Corporations Act*, the articles and the by-laws of the Corporation and the Agreement between the Corporation and Her Majesty in Right of Canada represented by the Minister of Public Works and Government Services.

Richard Flageole, FCA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 12, 2001



OLD PORT OF MONTREAL CORPORATION INC.

Balance Sheet as at March 31

ASSETS

	<u>2001</u>	<u>2000</u>
Current		
Cash	\$ 2,552,844	\$ 10,338,291
Accounts receivable	3,107,954	3,493,097
Prepaid expenses	193,160	437,780
	<u>5,853,958</u>	<u>14,269,168</u>
Deferred charges - Montreal Science Centre (Note 3a)	9,629,659	6,448,156
	<u>\$ 15,483,617</u>	<u>\$ 20,717,324</u>

LIABILITIES

Current		
Accounts payable	\$ 4,269,975	\$ 8,177,891
Due to Receiver General for Canada (Note 4)	0	841,231
Deferred revenue - Montreal Science Centre (Note 3b)	4,369,216	3,160,528
Short term portion of loan from the Government of Canada	2,168,787	1,986,485
	<u>10,807,978</u>	<u>14,166,135</u>
Loan from the Government of Canada (Note 5)	4,685,894	6,605,515
	<u>15,493,872</u>	<u>20,771,650</u>

EQUITY OF CANADA

Minister's account	(10,255)	(54,326)
Capital Stock (Note 6)	0	0
	<u>(10,255)</u>	<u>(54,326)</u>
	<u>\$ 15,483,617</u>	<u>\$ 20,717,324</u>

Contingencies (Note 11)
Commitments (Note 12)

See accompanying notes to the financial statements

Approved by the Board :

Director

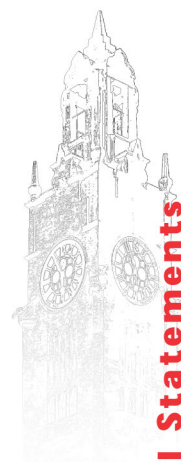
Director

OLD PORT OF MONTREAL CORPORATION INC.

Revenue, Expenditures and Minister's Account
for the year ended March 31

	<u>2001</u>	<u>2000</u>
Revenue		
Animation programs	\$ 5,525,144	\$ 3,230,384
Less: Royalties to third parties	218,979	181,058
	<u>5,306,165</u>	<u>3,049,326</u>
Parking	3,145,061	2,121,663
Amortization of deferred revenue - Montreal Science Centre	2,888,807	0
Concessions	1,504,765	742,725
Sponsorships	900,956	847,516
Interest	169,233	230,840
Other	691,230	666,048
	<u>14,606,217</u>	<u>7,658,118</u>
Expenditures		
Operating expenditures		
Territory management	6,995,906	5,706,731
Marketing and communications	4,344,733	3,127,398
Animation programs	4,217,241	2,488,071
Administration	3,295,763	2,402,755
Amortization of deferred charges - Montreal Science Centre	2,396,400	0
Development costs - Montreal Science Centre	502,662	0
	<u>21,752,705</u>	<u>13,724,955</u>
Excess of operating expenditures over revenue	7,146,488	6,066,837
Capital expenditures	<u>5,419,441</u>	<u>19,524,472</u>
Excess of expenditures over revenue	12,565,929	25,591,309
Revenue allotted to the Consolidated Revenue Fund of Canada	<u>0</u>	<u>139,055</u>
Amount to be funded for the year	<u>12,565,929</u>	<u>25,730,364</u>
Parliamentary appropriations	12,610,000	15,734,000
Non-refundable contribution - Canada Economic Development	<u>0</u>	<u>9,800,000</u>
	<u>12,610,000</u>	<u>25,534,000</u>
Increase (decrease) in the Minister's account	44,071	(196,364)
Minister's account at the beginning of the year	<u>(54,326)</u>	<u>142,038</u>
Minister's account at the end of the year	<u>\$ (10,255)</u>	<u>\$ (54,326)</u>

See accompanying notes to the financial statements





OLD PORT OF MONTREAL CORPORATION INC.

Cash Flow Statement
for the year ended March 31

	<u>2001</u>	<u>2000</u>
Operating activities		
Increase (decrease) in the Minister's account	\$ 44,071	\$ (196,364)
(Increase) decrease in accounts receivable	385,143	(2,204,879)
(Increase) decrease of prepaid expenses	244,620	(294,673)
(Increase) of deferred charges - Montreal Science Centre	(3,181,503)	(6,448,156)
Increase (decrease) of accounts payable	(3,907,916)	3,246,644
Increase (decrease) in amount due to Receiver General for Canada	(841,231)	139,055
Increase in deferred revenue - operating	<u>66,741</u>	<u>9,872</u>
	<u>(7,190,075)</u>	<u>(5,748,501)</u>
Financing activities		
Increase in deferred revenue - fund-raising campaign and advertising sponsorship	1,141,947	3,125,452
Increase (decrease) in the loan from the Government of Canada	<u>(1,737,319)</u>	<u>8,592,000</u>
	<u>(595,372)</u>	<u>11,717,452</u>
Cash		
Increase (decrease) for the year	(7,785,447)	5,968,951
Balance at beginning of the year	<u>10,338,291</u>	<u>4,369,340</u>
Balance at end of the year	<u>\$ 2,552,844</u>	<u>\$ 10,338,291</u>

See accompanying notes to the financial statements

Old Port of Montreal Corporation Inc.

NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2001

1. Authority and activities

The Old Port of Montreal Corporation Inc. was incorporated on November 26, 1981 under the *Canada Business Corporations Act* and is a wholly-owned subsidiary of Canada Lands Company Limited, a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*.

Effective February 1, 1982, pursuant to an agreement between the Corporation and Her Majesty in Right of Canada represented by the Minister of Public Works and Government Services, the Corporation is responsible for developing and for promoting the development of the lands of the Old Port of Montreal, and for administering, managing, and maintaining the property of Her Majesty located therein. The Corporation fulfils this responsibility in the name and for the account of the Minister of Public Works and Government Services who continues to hold title to the capital assets for the benefit of Her Majesty.

2. Significant accounting policies

a) Financial statement presentation

The financial statements present transactions carried out by the Corporation as agent and on behalf of the Minister of Public Works and Government Services.

b) Minister's Account

The Minister's Account represents amounts available to the Corporation subject to receiving proper authorization.

c) Parliamentary appropriations

Parliamentary appropriations are received to cover the excess of expenditures over revenue. They are recorded in the Statement of Revenue, Expenditures and Minister's Account in the year in which they are voted by Parliament.

The repayable advance received from the Government of Canada is recorded as a loan from the Government.

d) Contributions

The Corporation follows the deferral method to account for those contributions that are donations. Contributions received are generally restricted to specific purposes. Contributions are deferred and recognized as revenue in the year in which the related expenditures are incurred.

e) Sponsorships

The Corporation has entered into agreements with a number of corporate sponsors whereby these sponsors provide cash, products, advertising and services. In return, the sponsors are provided with various benefits that mainly include visibility and exclusive rights to marketing activities. Sponsorships are recognized in the period to which they relate. Non-monetary operations are recorded at fair market value.

f) Capital expenditures

Capital expenditures represent costs that significantly increase the value or extend the useful lives of properties administered by the Corporation and they also include costs of demolishing structures. Capital assets are not presented in the balance sheet since the Minister of Public Works and Government Services holds title to the capital assets for the benefit of Her Majesty.

g) Retirement savings plan

The Corporation has established a group retirement savings plan under which a single trust was established with a private sector organization in order to accumulate contributions to provide a retirement income for the employees through individually registered retirement savings plans. The Corporation acts solely as an agent without incurring any liability.

h) The Montreal iSci Centre Foundation

The Montreal iSci Centre Foundation, a non-profit organization founded on March 27, 2000, is not consolidated in these financial statements. The Corporation provides the Foundation with administrative support.

i) Measurement uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Accrued expenses related to major works, estimates of accounts payable, as well as amortization of deferred charges - Montreal

Science Centre and deferred revenue - Montreal Science Centre are the most important items requiring estimation. Actual figures may differ from these estimates.

3. Montreal Science Centre (previously iSci Centre)

In 1998-1999, the Corporation launched a campaign to raise funds for the Montreal Science Centre. Financial contributions go toward funding all Montreal Science Centre public programs, including exhibitions. As at March 31, 2001, the Corporation had signed for more than \$11,1 million of sponsorship and donation agreements. An advertising sponsorship was also received in the amount of \$1.3 million.

a) Deferred charges - Montreal Science Centre

The costs incurred for the conception, development and implementation of the exhibitions in the Montreal Science Centre were deferred until the official opening in May 2000. These expenses amount to nearly \$12.4 million, namely \$5.9 million in 2000-01 and \$6.5 million in 1999-2000.

Deferred charges, excluding development costs and costs relating to the advertising sponsorship, are amortized on a straight-line basis until March 31, 2004. This period covers the useful life of the exhibits and coincides with the length of the fundraising campaign. Development costs have been charged to the current year's operating results. Costs related to the advertising sponsorship are amortized on a straight-line basis over a 10 year period.

b) Deferred revenue - Montreal Science Centre

Donation agreements amount to \$2.3 million of which about \$674,000 were received in 2000-01 (\$510,000 in the two preceding years). The received donations were recorded as deferred revenue.

Sponsorship agreements amount to \$10.1 million of which approximately \$2.8 million were received in cash during 2000-01 (\$2.5 million in 1999-2000). Sponsorships received were recorded as deferred revenue. Non-monetary sponsorships have been estimated at approximately \$360,000 (\$200,000 in 1999-2000) and are included in deferred charges as well as in deferred revenue.

Overall agreements under the fundraising campaign total \$11.1 million. They are recognized on a straight-line basis over four years, which represents the period during which the Corporation will provide sponsorship-related benefits. Revenue relating to a \$1.3 million advertising sponsorship is recognized on a straight-line basis over 10 years. In 2000-01, revenue from all these agreements amounted to nearly \$2.9 million.

4. Due to Receiver General for Canada

Among the amendments to the agreement that were authorized on May 18th, 2000 by the Governor General in Council, the existing provisions that restricted the Corporation's authority to retain and use certain

revenues generated by the direct use of capital assets having titles held by the Minister were repealed. The Corporation now retains all revenues for its operations. During 2001, the Corporation repaid the entire balance due to the Receiver General for Canada as at March 31, 2000, namely \$841,231.

5. Loan from the Government of Canada

The Minister of Public Works and Government Services Canada has provided to the Corporation a loan of \$8.6 million, repayable, with interest, over four years starting in 2000-01. During the year, the Minister of Public Works and Government Services forgave the interest owed on the loan. Annual repayments of principal are due on August 1st of each year, and are as follows:

	Principal
2001	\$ 2,168,787
2002	2,285,468
2003	<u>2,400,426</u>
Total	<u>\$ 6,854,681</u>

6. Capital stock

The Corporation is authorized to issue a single share, to be held in trust for Her Majesty in Right of Canada, which may not be transferred without the consent of the Governor General in Council. The authorized share has been issued in consideration of services rendered.

7. Fair value of financial instruments

The transactions related to cash, accounts receivable and accounts payable are incurred in the normal course of business. The carrying amounts of each of these accounts approximate their fair value because of their short term maturity. There is no concentration of accounts receivable with any customer and, consequently, the credit risk is low.

8. Non-monetary transactions

The Corporation has granted exclusive rights to some of its sponsors for the sale of their products in exchange mainly for publicity. These non-monetary transactions were at arm's length and recorded equally in revenue and in expenditures at the fair value of the assets and services received, estimated at \$484,000 in 2000-01 (\$345,000 in 1999-2000).

9. Montreal iSci Centre Foundation

The purpose of this non-profit organization is to manage the funds and fundraising activities of the Montreal Science Centre.

The Foundation must remit to the Corporation, no later than January 31 of each year, a minimum of 80% of the donations received and revenues generated by the capitalized funds.

The funds remitted to the Corporation must be used for the activities of the Montreal Science Centre.

Expenses incurred for the creation of the Foundation were paid for by the Corporation.

10. Related party transactions

The Corporation is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business.

11. Contingencies

In the normal course of business, the Corporation is either claimant or defendant in a number of claims or lawsuits. Various claims have been filed and lawsuits instituted against the Corporation, some of which are claiming considerable monetary compensation that could result in major expenditures. Litigation is subject to much uncertainty, and it is impossible to predict the outcome of every case.

A provision for these expenses has been established according to the best estimates of the management. It is thus foreseeable that the Corporation may have to settle some of these claims for amounts that exceed the current provision.

12. Commitments

As at March 31, 2001, commitments totalled \$5.4 million (\$5.1 million as at March 31, 2000) for operating activities, mainly for advertising, maintenance and professional services contracts, and for rental of assets, and \$642,000 (\$3.5 million as at March 31, 2000) for capital expenditures and the implementation of the exhibitions.

13. Cumulative data since November 26, 1981

	Accumulated as at March 31, 2000	2000-2001	Accumulated as at March 31, 2001
Capital expenditures	<u>\$165,441,540</u>	<u>\$5,419,441</u>	<u>\$170,860,981</u>
Excess of operating expenditures over revenue	<u>\$50,656,147</u>	<u>\$7,146,488</u>	<u>\$57,802,635</u>
Revenue allotted to the Consolidated Revenue Fund of Canada	<u>\$5,880,729</u>	<u>\$0</u>	<u>\$5,880,729</u>

Ms. Claude Benoit
President and CEO

Ms. Dany Bleau
Vice-President
Administration and Human Resources

Mr. Pierre-Luc Brodeur
Vice-President
Site Management

Mr. Pierre Fortin
Vice-President
Marketing and Customer Services

Mr. Benoît Légaré
Programming Advisor



From left to right, Pierre Fortin, Dany Bleau, Claude Benoit, Pierre-Luc Brodeur and Benoît Légaré



The Prime Minister of Canada, the Right Honourable Jean Chrétien, and Mr. Bernard Lamarre, Chairman of the Board of the Old Port of Montréal Corporation, cutting the ribbon at the official opening of the Montréal Science Centre on May 1, 2000, attended by over 1,000 guests.



The Prime Minister of Canada, the Right Honourable Jean Chrétien, and Ms. Claude Benoit, Vice-president of Programming and Development, Old Port of Montréal Corporation, visiting the Montréal Science Centre at the May 1, 2000 opening.



Joël Le Bigot and his team hosted, live, Radio-Canada's first broadcast of "Samedi et d'autre" at the Montréal Science Centre's public opening day, on May 6, 2000.



Roughly 4,000 guests came to the Montréal Science Centre during the launch week in May 2000.



Mr. Jean Lapierre in the company of Ms. Claude Benoit, President and CEO of the Old Port of Montréal Corporation and Mr. Daniel Blier, Chief, Reception and Client Services, at the presentation of Tourism Montréal's *Prix Ulysse*, won by the Montréal Science Centre in February 2001 in the tourist attraction category - over 100,000 visitors.



Ms. Claude Benoit, President and CEO of the Old Port of Montréal Corporation, at the awards ceremony of the Grands Prix du tourisme québécois, during which the Montréal Science Centre was presented with the Lauréat national d'or in the tourist attraction category - over 100,000 visitors.



For the Montréal Science Centre's first Christmas, Florent Veilleux, a famous gadget sculptor hosted workshops where children created a unique Christmas tree for the Science Centre.



Children admiring the feats of Robin the robot in the company of an educator during Robofolies, which, in ten days, attracted over 20,000 people to the Science Centre during the March 2001 spring break.

Partners of the Old Port of Montréal

Canada

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Sponsor of the Daniel McAllister

- Canada Economic Development
- The Port of Montréal

Sponsor of the Children's Playground

- Saturn

Sponsor of the Port d'Escale

- Vidéotron Ltée.

Sponsor of the F1 at the IMAX Theatre

- Bell ExpressVu



Partners of the Montréal Science Centre \$29,000,000

- Public Works and Government Services Canada
- Treasury Board
- Economic Development Canada

Canada

Principal Founders \$1,000,000 and more



BOMBARDIER



Associate Founders \$250,000 to \$1 000,000



L'Impériale



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- Royal Bank Financial Group Foundation
- Canadian National
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- Messier-Dowty
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- Milufab
- Ouimet-Cordon bleu
- Fritz Starber
- GSM Production



Megabloks • Amphi-Bus • Stewart Museum Military Demonstrations • Arrimage 2000
 Arts and Technology • La Balade of the Old Port • Mascot's Bal • Bateau-Mouche •
 Battle of Atlantic Sunday • Border Boosters Square & Round Dance • Bouquinistes du
 Saint-Laurent • Jacques-Cartier Boutique • Summer Boutiques: Zoomatic Jr,
 Amberlux, Formula 1 Canada Boutique, Puzzles and Images, Chandellerie du Mont-
 Royal, Chrono Watches, Magnetic Concept, Espace Bell, Inspector Gadget, Come
 Rain Come Shine, WW Foreign Exchange, Imperial Tours • Café des Éclusiers • Caillou
 • Bonsecours Snack Bar • Montréal Science Centre: Interactive Science Exhibitions,
 IMAX(r) Theatre, Immersion Movie Game • Cérémonie du Souvenir • Food Chain: La
 Crémère, Beaver Tails and Moozoo Juices, Franx Supreme, Sul posto Pizza, Sul posto,
 Le Taboulé, Tiki Ming, Old Port Mags and Cigars • Chapiteau 2000 • French Choirs
 • Circuit d'œuvres d'art du Vieux-Port • Old Montréal Ghosts Trail • Comptoir-retrait
 Desjardins • Campbell Concerts • Aramark • National Bank Ovide Duck Race • AML
 Cruises: MV Montréal, Cavalier Maxim, New-Orleans, Ville-Marie II • Daniel McAllister
 • St. Lawrence Dolphins • Défi d'un jour de Fran • National Circus School • Entr'Âges
 • Érable sur neige • Expo-technologique • Montréal High Lights Festival • Festival
 Téléscience • Canada Day Celebrations • Scout Weekend • Fouineur enr. •
 International Automobile Gala • La Grande Virée • Les Grands Voyageurs - remote-
 controlled sailboats • Gun Run • Hip Hip Hourra • Rodeo Speedboating • Police Day
 • Jacques-Cartier and Saint-Laurent Information Booths • Fly Fishing courses • Arti per
 Via • «Le Riverain» recreational train • Lucky Luc - Horsedrawn Sleigh Rides • Banque
 Royale Walk-A-Thon • Loyola Walk-A-Thon • Mini-montgolfières • Mondial de la bière
 • Labatt Hot air balloon • Montréal: 2000 and One Faces • Mosaïcultures
 International Montréal 2000 • S.S. John W. Brown • St-Roch II • NCSM Onondaga •
 U.S. Brig Niagara • Océano Massotherapy • Octoberfest • Opération Tandem • Battle
 of Atlantic Sunday Parade • Cité-du-Havre Park • Bonsecours Basin Skating Rink •
 Patins Patins • Bonsecours Pavillion • Jacques-Cartier Pavillion • Pédalocation • Place
 des vestiges • Poker Run • Pont Bailey • Port d'Escale • Pow Wow • BB School Outings
 Program • Artists' Promenade • Quadricycle • Porto Fiorentino Restaurant •
 Salsarengue 2000 • Jet Boating the Rapids • Italian Week • Trans Canada Trail •
 Anton's Photo Express • Shakespeare-in-the-Park • Silophone • Soirées d'astronomie
 populaire • Labatt Blues Fridays • Pepsi Refreshment Stations • Harbour Symphonies
 • Old Port Playground • Clock Tower • Tournée des pompiers • Un Tour la nuit • Vélo
 Aventure • Old Port Celebrations • Village québécois d'antan • Interactive Tour of the
 Old Port • Voiture solaire de Queen's • Youtheatre • Zoomatic bistro-boutique ■

Grands Prix du tourisme québécois

Montréal Science Centre
Lauréat national d'or,
Tourist attraction category
Over 100,000 visitors
May 2001

Prix Ulysse - Tourism Montréal

Montréal Science Centre
Tourist attraction category
Over 100,000 visitors
February 2001

Grand Ulysse 2000 - Tourism Montréal

Presented to Pierre Émond
for his contribution to tourism
development in Montréal
February 2000

Attractions Canada Awards

Provincial winner, Outdoor site
April 2000

Attractions Canada Awards

Provincial winner, Outdoor site
April 1999

Grands Prix du tourisme québécois

Lauréat national d'or,
Large company category
Hospitality and client service
May 1998

Royal Architectural Institute of Canada

Award for Excellence for the 1992
Development Plan Concept
October 1994

Ordre des architectes du Québec

Special mention in commercial
architecture for the
Jacques Cartier Pavilion
October 1994

Ordre des architectes du Québec

Award for excellence in urban design
for the 1992 Development Plan
Special mention in commercial
architecture for the Maison des Éclusiers
November 1993

Canadian Society of Landscape Architects

Two certificates of excellence for
development of the East and
West sectors
May 1993

Greater Montréal Convention and Tourism Bureau

Grand Prix du tourisme québécois
Special mention for the Old Port's
remarkable contribution to tourism
development in the Montréal area
February 1993

Sauvons Montréal

Prix Orange, Urban planning and design
category
December 1992

The Washington Waterfront Center

Historical Conservation and Maritime
Restoration Award
October 1992

Progressive Architecture

Citation for the Old Port of Montréal
Development Plan
39th Annual Architecture Contest
January 1992



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