

C.A. PIPPY PARK COMMISSION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022

Management's Report

Management's Responsibility for the C.A. Pippy Park Commission Consolidated Financial Statements

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information periodically and external audited consolidated financial statements yearly.

The Auditor General conducts an independent audit of the annual consolidated financial statements of the Commission in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the C.A. Pippy Park Commission.

On behalf of the C.A. Pippy Park Commission.



Mr. Ric Mercer
Executive Director



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Members of the Board of Directors
C.A. Pippy Park Commission
St. John's, Newfoundland and Labrador

Opinion

I have audited the consolidated financial statements of the C.A. Pippy Park Commission and its subsidiary (the Group), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

Independent Auditor's Report (cont.)

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (cont.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



DENISE HANRAHAN, CPA, CMA, MBA, ICD.D
Auditor General

September 27, 2022
St. John's, Newfoundland and Labrador


C.A. PIPPY PARK COMMISSION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31

	2022	2021
FINANCIAL ASSETS		
Cash	\$ 902,713	\$ 790,226
Accounts receivable (Note 3)	62,353	40,269
Inventories held for resale	14,041	7,443
	<u>979,107</u>	<u>837,938</u>
LIABILITIES		
Accounts payable and accrued liabilities	166,479	135,888
Deferred revenue (Note 4)	272,647	204,950
Obligations under capital leases (Note 5)	-	5,973
Long term debt (Note 6)	91,490	63,325
Employee future benefits (Note 7)	48,901	46,602
	<u>579,517</u>	<u>456,738</u>
Net financial assets	<u>399,590</u>	<u>381,200</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	29,039	25,412
Inventories held for use	24,183	17,604
Tangible capital assets (Note 8)	8,318,732	8,328,136
	<u>8,371,954</u>	<u>8,371,152</u>
Accumulated surplus	<u>\$8,771,544</u>	<u>\$ 8,752,352</u>
Contractual obligations (Note 13)		
Contractual rights (Note 14)		

The accompanying notes are an integral part of these financial statements.

Signed on behalf of the Board:


Chairperson


Member

C.A. PIPPY PARK COMMISSION
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended March 31

	2022 Budget	2022 Actual	2021 Actual
(Note 16)			
REVENUES (Note 10)			
Province of Newfoundland and Labrador			
Operating grant	\$ 261,000	\$ 270,900	\$ 253,900
Golf course (Note 11)	917,300	1,162,112	884,166
Campground (Note 12)	300,000	432,172	221,755
Services	308,000	303,718	309,032
Rental	90,000	107,032	89,444
Government of Canada	-	53,612	40,066
Miscellaneous	50,700	54,878	55,074
Interest	10,500	10,775	11,252
Advertising	7,599	7,599	7,599
	<u>1,945,099</u>	<u>2,402,798</u>	<u>1,872,288</u>
EXPENSES (Note 10)			
Golf course	849,562	951,620	805,534
Campground	254,155	253,839	168,193
General park	529,395	537,497	497,572
Administration and other	640,747	660,285	639,111
	<u>2,273,859</u>	<u>2,403,241</u>	<u>2,110,410</u>
Annual deficit before loss on disposal of tangible capital assets	(328,760)	(443)	(238,122)
Gain (Loss) on disposal of tangible capital assets	-	19,635	(62)
Annual surplus (deficit)	(328,760)	19,192	(238,184)
Accumulated surplus, beginning of year	8,752,352	8,752,352	8,990,536
Accumulated surplus, end of year	<u>\$ 8,423,592</u>	<u>\$ 8,771,544</u>	<u>\$ 8,752,352</u>

The accompanying notes are an
integral part of these financial statements.

C.A. PIPPY PARK COMMISSION
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended March 31

	2022 Budget	2022 Actual	2021 Actual
(Note 16)			
Annual surplus (deficit)	\$ (328,760)	\$ 19,192	\$ (238,184)
Changes in tangible capital assets			
Acquisition of tangible capital assets	(42,640)	(157,105)	(204,852)
Net book value of tangible capital asset disposals	-	2,104	62
Amortization of tangible capital assets	169,871	164,405	149,538
	127,231	9,404	(55,252)
Changes in other non-financial assets			
Use of prepaid expenses	-	25,412	23,217
Acquisition of prepaid expenses	-	(29,039)	(25,412)
Net acquisition of inventories held for use	-	(6,579)	(189)
	-	(10,206)	(2,384)
Increase (decrease) in net financial assets	(201,529)	18,390	(295,820)
Net financial assets, beginning of year	381,200	381,200	677,020
Net financial assets, end of year	\$ 179,671	\$ 399,590	\$ 381,200

The accompanying notes are an
integral part of these financial statements.

C.A. PIPPY PARK COMMISSION
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2022	2021
Cash flows from operating activities		
Annual surplus (deficit)	\$ 19,192	\$ (238,184)
Adjustment for non-cash items		
Amortization	164,405	149,538
(Gain) Loss on disposal of tangible capital assets	(19,635)	62
	163,962	(88,584)
Changes in non-cash working capital		
Accounts receivable	(22,084)	(27,300)
Inventories held for resale	(6,598)	2,820
Prepaid expenses	(3,627)	(2,195)
Inventories held for use	(6,579)	(189)
Accounts payable and accrued liabilities	30,591	6,800
Deferred revenue	67,697	48,439
Employee future benefits	2,299	(12,465)
Cash provided from (applied to) operating transactions	225,661	(72,674)
Capital transactions		
Proceeds from sale of tangible capital assets	21,739	-
Acquisition of tangible capital assets	(157,105)	(204,852)
Cash applied to capital transactions	(135,366)	(204,852)
Financing transactions		
Proceeds from bank loan	54,995	71,725
Repayment of bank loan	(26,830)	(8,400)
Repayment of capital lease obligations	(5,973)	(19,735)
Cash provided from financing transactions	22,192	43,590
Net increase (decrease) in cash	112,487	(233,936)
Cash, beginning of year	790,226	1,024,162
Cash, end of year	\$ 902,713	\$ 790,226

The accompanying notes are an integral part of these financial statements.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

1. Nature of operations

The C.A. Pippy Park Commission (the Commission) was incorporated in 1968 and operates under the authority of the Pippy Park Commission Act. The purpose of the Commission is to provide a park-like setting to house the headquarters of the Provincial Government, as well as various government, cultural, educational facilities and Memorial University of Newfoundland. Its affairs are managed by a Board of Commissioners, the majority of whom are appointed by the Lieutenant-Governor in Council.

The C.A. Pippy Park Golf Course Limited (the Golf Course) was incorporated on January 6, 2006, under the Corporations Act. It is a wholly owned subsidiary of the Commission, incorporated in accordance with Section 25(b)(i) of the Pippy Park Commission Act. Its purpose is to manage the Pippy Park Golf Course.

The Commission is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

2. Summary of significant accounting policies

(a) Basis of accounting

The Commission is classified as an Other Government Organization as defined by Canadian public sector accounting standards (CPSAS). These consolidated financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Public Sector Accounting Board (PSAB). The Commission does not prepare a statement of remeasurement gains and losses as the Commission does not enter into relevant transactions or circumstances that are addressed by that statement.

The consolidated financial statements include the assets, liabilities and accumulated surplus of the C.A. Pippy Park Commission and its subsidiary corporation, C.A. Pippy Park Golf Course Limited. Inter-entity transactions and balances have been eliminated in these consolidated financial statements. Outlined below are the significant accounting policies followed.

(b) Financial instruments

The Commission's financial instruments recognized in the consolidated statement of financial position consist of cash, accounts receivable, accounts payable and accrued liabilities, obligations under capital leases and long-term debt. The Commission generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

2. Summary of significant accounting policies (cont.)

(b) Financial instruments (cont.)

The Commission subsequently measures all of its financial assets and financial liabilities at cost or amortized cost. Of the financial assets, cash is measured at cost while accounts receivable is measured at amortized cost. Financial liabilities measured at cost include accounts payable and accrued liabilities. Obligations under capital leases and long-term debt are measured at amortized cost.

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, obligations under capital leases and long-term debt approximate current fair value due to their nature and/or the short-term maturity associated with these instruments.

Interest attributable to financial instruments is reported on the consolidated statement of operations.

(c) Cash

Cash includes cash in bank.

(d) Tangible capital assets

All tangible capital assets are recorded at cost at the time of acquisition, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the interest rate implicit in the lease.

The cost, less residual value, of the tangible capital assets, is amortized using the declining balance method over the expected useful lives as follows:

Furniture and equipment	30%
Vehicles	30%
Equipment under capital leases	30%
Buildings	10%
Park improvements	10%
Golf course improvements	10%

The cost of building acquisitions is included with land where the primary reason for purchasing the properties is to acquire the land. Where the Commission intends to maintain the buildings for Commission use, cost is allocated between land and buildings.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

2. Summary of significant accounting policies (cont.)

(d) Tangible capital assets (cont.)

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Commission's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

(e) Inventories held for resale

Inventories held for resale, including confectionary and golf supplies, are recorded at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(f) Inventories held for use

Inventories held for use include supplies and are recorded at the lower of historical cost and replacement cost.

(g) Prepaid expenses

Prepaid expenses are recorded as an expense over the periods expected to benefit from the prepayment.

(h) Employee future benefits

(i) The employees of the Commission are subject to the Public Service Pensions Act, 2019. Employee contributions are matched by the Commission and remitted to Provident¹⁰ from which pensions will be paid to employees when they retire. This pension plan is a multi-employer defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best six years of earnings for service on or after January 1, 2015, and, for service before January 1, 2015, the higher of the average of the frozen best five years of earnings up to January 1, 2015, or the average of the best six years of earnings for all service.

The matched contributions paid by the Commission are recorded as an expense for the year.

(ii) The Commission provides accumulating, non-vesting sick leave benefits to its employees. The Commission has made a provision in the accounts for the payment of accumulating non-vesting sick leave benefits for employees which is based upon the Commission's best estimate of the probability of the employees utilizing the benefits and current salary levels. The accumulating non-vesting sick leave benefits cease upon termination of employment with the Commission.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

2. Summary of significant accounting policies (cont.)

(i) Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized as revenue in the fiscal year the fee is earned or the service is performed.

The Commission recognizes government transfers as revenues when the transfer is authorized and any eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulations related to the liabilities are settled. Government transfers consist of an operating grant from the Province of Newfoundland and Labrador.

(j) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is recorded as an expense in that year.

(k) Measurement uncertainty

The preparation of consolidated financial statements in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the expected future life of tangible capital assets and estimated employee future benefits.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

(l) Accounting pronouncement

The PSAB has issued PS 3280 - Asset Retirement Obligations which is effective for fiscal years beginning on or after April 1, 2022. This is a new standard on how to account for and report legal obligations associated with the retirement of tangible capital assets. The standard has not been applied in these financial statements.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

2. Summary of significant accounting policies (cont.)

(I) Accounting pronouncement (cont.)

The Commission plans to adopt this standard by the effective date and is currently analyzing the impact the standard will have on the financial statements.

3. Accounts receivable

	<u>2022</u>	<u>2021</u>
Province of Newfoundland and Labrador	\$ 54,979	\$ -
Trade	3,724	21,648
Harmonized sales tax	4,345	19,316
	<u>63,048</u>	<u>40,964</u>
<u>Less: allowance for doubtful accounts</u>	<u>(695)</u>	<u>(695)</u>
<u>Net accounts receivable</u>	<u>\$ 62,353</u>	<u>\$ 40,269</u>

4. Deferred revenue

	<u>2022</u>	<u>2021</u>
Golf course	\$ 147,984	\$ 137,503
Clubhouse	73,305	53,050
Rental	17,342	10,508
Campground	33,016	3,339
Other	1,000	550
	<u>\$ 272,647</u>	<u>\$ 204,950</u>

Golf course deferred revenue relates to golf packages and gift certificates sold during the fiscal year that relate to the 2022 golf season. Clubhouse deferred revenue relates to deposits received on salon rentals for future periods. Rental deferred revenue relates to deposits received on reservations at the Northbank Lodge and the Courtyard for future periods. Campground deferred revenue relates to deposits received on reservations for the 2022 camping season. Other deferred revenue relates to property lease payments received that relates to the 2022-23 fiscal year.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

5. Obligations under capital leases

The Commission has financed property for golf course operations and general park through capital leases.

	<u>2022</u>	<u>2021</u>
<u>Obligations under capital leases</u>	<u>\$ -</u>	<u>\$ 5,973</u>

6. Long-term debt

	<u>2022</u>	<u>2021</u>
Non-revolving Demand Instalment Loan repayable in 30 regular principal payments of \$1,833, to be made July 31 to December 31 of each year. Interest paid monthly at the prime rate. Maturing December 2025.	\$ 43,996	\$ -
Non-revolving Demand Instalment Loan repayable in 24 regular principal payments of \$2,639, to be made May 30 to October 30 of each year. Interest paid monthly at the prime rate. Maturing October 2024.	<u>47,494</u>	<u>63,325</u>
	<u>\$ 91,490</u>	<u>\$ 63,325</u>

Future long-term debt principal repayments

2023	\$ 26,830
2024	26,830
2025	26,831
2026	<u>10,999</u>
	<u>\$ 91,490</u>

Total interest paid and expensed during the year was \$2,176.

7. Employee future benefits

	<u>2022</u>	<u>2021</u>
<u>Provision for accumulating, non-vesting, sick leave</u>	<u>\$ 48,901</u>	<u>\$ 46,602</u>

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

7. Employee future benefits (cont.)

Pension contributions

The employees of the Commission represented by the NAPE and certain management employees are subject to the Public Service Pensions Act, 2019 (the Act). The Pension plan is administered by Provident¹⁰, including payment of pension benefits to employees to whom the Act applies.

The plan provides a pension upon retirement based on the age of its members at retirement, length of service and rates of pay. The maximum contribution rate for eligible employees was 11.85% (2021 - 11.85%). The Commission contributes an amount equal to the employee contributions to the plan.

Total pension expense for the Commission for the year ended March 31, 2022 was \$68,814 (2021 - \$63,822).

8. Tangible capital assets

Original cost

	Balance March 31, 2021	Capital assets no longer under lease	Additions	Disposals	Balance March 31, 2022
Park					
Land	\$ 5,418,566	\$ -	\$ -	\$(2,104)	\$ 5,416,462
Furniture and equipment	388,930	23,551	40,510	-	452,991
Vehicles	95,482	-	41,029	-	136,511
Equipment under capital leases	23,551	(23,551)	-	-	-
Buildings	1,356,301	-	6,808	-	1,363,109
Park improvements	1,852,187	-	-	-	1,852,187
Golf course					
Land	1,809,696	-	-	-	1,809,696
Golf course improvements	1,346,311	-	-	-	1,346,311
Buildings	668,591	-	-	-	668,591
Equipment under capital leases	11,924	(11,924)	-	-	-
Furniture and equipment	900,376	11,924	68,758	-	981,058
	\$13,871,915	\$ -	\$157,105	\$(2,104)	\$14,026,916

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

8. Tangible capital assets (cont.)

Accumulated amortization

	Balance March 31, 2021	Transfer of accumulated amortization of assets no longer under lease	Amortization	Accumulated amortization on disposals	Balance March 31, 2022	Net book value March 31, 2022	Net book value March 31, 2021
Park							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,416,462	\$ 5,418,566
Furniture and equipment	360,255	13,742	17,686	-	391,683	61,308	28,675
Vehicles	77,386	-	11,583	-	88,969	47,542	18,096
Equipment under capital leases	13,742	(13,742)	-	-	-	-	9,809
Buildings	1,144,059	-	21,565	-	1,165,624	197,485	212,242
Park improvements	1,534,070	-	31,673	-	1,565,743	286,444	318,117
Golf course							
Land	-	-	-	-	-	1,809,696	1,809,696
Golf course improvements	1,091,584	-	25,473	-	1,117,057	229,254	254,727
Buildings	511,836	-	15,675	-	527,511	141,080	156,755
Equipment under capital leases	8,448	(8,448)	-	-	-	-	3,476
Furniture and equipment	802,399	8,448	40,750	-	851,597	129,461	97,977
	\$ 5,543,779	\$ -	\$ 164,405	\$ -	\$ 5,708,184	\$ 8,318,732	\$ 8,328,136

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

8. Tangible capital assets (cont.)

(a) Tangible capital assets not included in consolidated financial statements

Land purchased directly by the Provincial Government and forming part of C.A. Pippy Park is not recorded in these consolidated financial statements. The land recorded in these consolidated financial statements represents land purchased directly by the Commission.

Capital improvements made by third parties are not recorded in these consolidated financial statements.

(b) Title to Commission property

Under Section 10(4) of the Pippy Park Commission Act, title to property of the Commission is vested in the name of the Minister of Tourism, Culture, Arts and Recreation for the Crown.

9. Related party transactions

- (a) During the year, the Commission received an operating grant of \$270,900 (2021 - \$253,900) from the Province. Accounts Receivable includes \$54,979 (2021 - \$0) due from the Province in the normal course of business.
- (b) Services and rental revenue include revenues from the Province in the amount of \$275,336 (2021 - \$280,210) as a result of ongoing contracts. These revenues are recorded at the exchange amount through the normal course of business.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

10. Segmented information

The Commission reports its revenue and expenses by program area.

	Golf course		Campground		General park		Administration		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues										
Province of Newfoundland and Labrador operating grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,900	\$ 253,900	\$ 270,900	\$ 253,900
Golf course (Note 11)	1,162,112	884,166	-	-	-	-	-	-	1,162,112	884,166
Campground (Note 12)	-	-	432,172	221,755	-	-	-	-	432,172	221,755
Services	-	-	-	-	303,718	309,032	-	-	303,718	309,032
Rental	-	-	-	-	-	-	107,032	89,444	107,032	89,444
Government of Canada	-	-	53,612	40,066	-	-	-	-	53,612	40,066
Miscellaneous	1,000	2,964	-	-	-	-	53,878	52,110	54,878	55,074
Interest	4,491	2,394	-	-	-	-	6,284	8,858	10,775	11,252
Advertising	7,599	7,599	-	-	-	-	-	-	7,599	7,599
	1,175,202	897,123	485,784	261,821	303,718	309,032	438,094	404,312	2,402,798	1,872,288
Expenses										
Advertising and promotion	1,525	1,374	9,871	1,000	-	-	160	159	11,556	2,533
Amortization	81,898	75,835	-	-	-	-	82,507	73,703	164,405	149,538
Bank charges	21,165	15,652	-	-	-	-	10,796	6,072	31,961	21,724
Building maintenance	57,389	31,105	14,882	9,190	729	5,903	21,912	40,385	94,912	86,583
Course maintenance	61,561	64,322	-	-	-	-	-	-	61,561	64,322
Equipment maintenance	44,156	36,250	-	-	26,732	20,555	-	-	70,888	56,805
Fuel	28,792	18,439	-	-	23,234	14,040	-	-	52,026	32,479
Heat, light and telephone	42,128	37,285	30,889	22,383	10,068	8,659	23,517	23,015	106,602	91,342
Honoraria	-	-	-	-	-	-	665	380	665	380
Insurance	40,366	37,657	-	-	-	-	54,759	44,519	95,125	82,176
Interest on capital lease obligations	75	487	-	-	-	-	-	-	75	487
Interest on long-term debt	2,176	698	-	-	-	-	-	-	2,176	698
Miscellaneous	4,911	4,413	-	17	61,748	60,304	884	621	67,543	65,355
Office	8,264	6,148	218	125	-	-	10,266	9,218	18,748	15,491
Professional fees	4,799	3,610	3,161	517	-	-	2,601	2,900	10,561	7,027
Salaries and employee benefits	545,933	466,286	185,293	129,415	405,510	380,818	449,748	436,299	1,586,484	1,412,818
Supplies	6,482	5,973	9,525	5,546	9,476	7,293	2,470	1,840	27,953	20,652
Training	-	-	-	-	-	-	-	-	-	-
	951,620	805,534	253,839	168,193	537,497	497,572	660,285	639,111	2,403,241	2,110,410
Annual surplus (deficit) before loss on disposal of tangible capital assets	\$ 223,582	\$ 91,589	\$ 231,945	\$ 93,628	\$ (233,779)	\$ (188,540)	\$ (222,191)	\$ (234,799)	\$ (443)	\$ (238,122)
Gain (Loss) on disposal of tangible capital assets	-	-	-	-	-	-	19,635	(62)	19,635	(62)
Annual surplus (deficit)	\$ 223,582	\$ 91,589	\$ 231,945	\$ 93,628	\$ (233,779)	\$ (188,540)	\$ (202,556)	\$ (234,861)	\$ 19,192	\$ (238,184)

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

11. Golf course revenue

Course operations

	<u>2022</u> <u>Budget</u> (Note 16)	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Green fees	\$ 668,000	\$ 804,326	\$ 672,926
Rentals	176,000	205,841	173,229
	<u>844,000</u>	<u>1,010,167</u>	<u>846,155</u>
Proshop sales	13,000	15,426	11,123
Less: cost of goods sold	(5,200)	(6,833)	(4,605)
	<u>7,800</u>	<u>8,593</u>	<u>6,518</u>
Course operations	<u>851,800</u>	<u>1,018,760</u>	<u>852,673</u>
 Clubhouse operations			
Salon rentals	25,000	28,100	5,600
Catering commissions	6,000	25,681	1,741
	<u>31,000</u>	<u>53,781</u>	<u>7,341</u>
Salon sales	64,000	142,749	46,773
Less: cost of goods sold	(29,500)	(53,178)	(22,621)
	<u>34,500</u>	<u>89,571</u>	<u>24,152</u>
Clubhouse operations	<u>65,500</u>	<u>143,352</u>	<u>31,493</u>
	<u>\$ 917,300</u>	<u>\$ 1,162,112</u>	<u>\$ 884,166</u>

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

12. Campground revenue

	<u>2022</u> <u>Budget</u> (Note 16)	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Registration fees	\$ 300,000	\$ 411,426	\$ 211,560
Sales	-	41,915	21,398
Less: cost of goods sold	-	(21,169)	(11,203)
	-	20,746	10,195
	<u>\$ 300,000</u>	<u>\$ 432,172</u>	<u>\$ 221,755</u>

13. Contractual obligations

The Commission has entered into an agreement for trail maintenance. Minimum payments over the term of the agreement are:

2023	<u>\$ 54,000</u>
	<u>\$ 54,000</u>

14. Contractual rights

The Commission has entered into agreements for the lease of property. Under the terms of the lease agreements, the Commission will receive rental income as follows:

2023	\$126,075
2024	44,050
2025	11,025
2026	<u>11,025</u>
	<u>\$192,175</u>

15. Financial risk management

The Commission recognizes the importance of managing risks and this includes policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The risks that the Commission is exposed to through its financial instruments are credit risk, liquidity risk and market risk. There was no significant change in the Commission's exposure to these risks or its processes for managing these risks from the prior year.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

15. Financial risk management (cont.)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission's main credit risk relates to cash and accounts receivable. The Commission's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Commission is not exposed to significant credit risk with its cash because this financial instrument is held with a Chartered Bank. Also, it is not exposed to significant credit risk related to the accounts receivable from the Province or the harmonized sales tax receivable due to their nature. The Commission is exposed to credit risk related to its trade accounts receivable. Any estimated impairment of accounts receivable has been provided for through an allowance as disclosed in Note 3.

Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its financial liabilities and contractual obligations. The Commission's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities, its obligations under capital leases (Note 5), long-term debt (Note 6), and its contractual obligations (Note 13). The Commission manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its financial liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Commission is not exposed to significant foreign exchange or other price risk. The Commission is not exposed to interest rate risk on the obligations under capital leases as the interest rates are fixed to maturity. In addition, the Commission is not exposed to significant interest rate risk on its long-term debt as a change in the variable interest rate of one percent would not result in a significant change in the annual interest expense on long-term debt.

16. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from estimates approved by the Board of Directors of the Commission.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

17. Non-financial assets

The recognition and measurement of non-financial assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Commission. For non-financial assets, the future economic benefit consists of their capacity to render service to further the Commission's objectives.