

**C.A. PIPPY PARK COMMISSION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2019**

## 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.



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Mr. Ric Mercer  
Executive Director



**AUDITOR  
GENERAL**  
of Newfoundland and Labrador

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**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, 2019, 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, 2019, and the consolidated results of its operations, consolidated changes in its net financial assets 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 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.

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.

## Independent Auditor's Report (cont.)

### *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.
- 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.

## Independent Auditor's Report (cont.)

- 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 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.



**JULIA MULLALEY, CPA, CA**  
**Auditor General**

July 22, 2019  
St. John's, Newfoundland and Labrador

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

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash	\$ 980,839	\$ 1,141,131
Accounts receivable (Note 4)	74,851	52,266
Inventories held for resale	11,546	12,886
	<b>1,067,236</b>	<b>1,206,283</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	107,604	130,190
Deferred revenue (Note 5)	186,954	175,654
Obligations under capital leases (Note 6)	68,496	83,141
Employee future benefits (Note 7)	59,131	277,559
	<b>422,185</b>	<b>666,544</b>
<b>Net financial assets</b>	<b>645,051</b>	<b>539,739</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	20,606	21,716
Inventories held for use	17,852	17,690
Tangible capital assets (Note 8)	8,384,688	8,547,128
	<b>8,423,146</b>	<b>8,586,534</b>
<b>Accumulated surplus</b>	<b>\$ 9,068,197</b>	<b>\$ 9,126,273</b>
<b>Contractual obligations (Note 13)</b>		
<b>Contractual rights (Note 14)</b>		

*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

	2019 Budget	2019 Actual	2018 Actual
(Note 16)			
<b>REVENUES (Note 10)</b>			
Province of Newfoundland and Labrador			
Operating grant	\$ 260,100	\$ 459,500	\$ 382,800
Golf course (Note 11)	963,050	790,478	837,682
Campground (Note 12)	620,000	600,449	627,222
Services	295,000	307,612	303,178
Rental	116,000	120,436	102,086
Miscellaneous	51,200	57,058	52,281
Advertising	7,600	7,599	7,599
Interest	7,000	18,310	13,381
	2,319,950	2,361,442	2,326,229
<b>EXPENSES (Note 10)</b>			
Golf course	1,036,415	913,396	930,393
Campground	256,750	254,293	266,687
General park	616,875	598,996	664,191
Administration and other	619,770	671,549	603,857
	2,529,810	2,438,234	2,465,128
<b>Annual deficit before gain on disposal of tangible capital assets</b>	(209,860)	(76,792)	(138,899)
<b>Gain (loss) on disposal of tangible capital assets</b>	-	18,716	(3,955)
<b>Annual deficit</b>	(209,860)	(58,076)	(142,854)
<b>Accumulated surplus, beginning of year</b>	9,126,273	9,126,273	9,269,127
<b>Accumulated surplus, end of year</b>	\$ 8,916,413	\$ 9,068,197	\$ 9,126,273

*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**

	2019 Budget	2019 Actual	2018 Actual
(Note 16)			
Annual deficit	\$ (209,860)	\$ (58,076)	\$ (142,854)
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	-	(28,546)	(89,000)
Net book value of tangible capital asset disposals	-	11,284	16,701
Amortization of tangible capital assets	184,670	179,702	199,058
	184,670	162,440	126,759
<b>Changes in other non-financial assets</b>			
Use of prepaid expenses	-	21,716	22,767
Acquisition of prepaid expenses	-	(20,606)	(21,716)
Net acquisition of inventories held for use	-	(162)	(1,974)
	-	948	(923)
<b>(Decrease) increase in net financial assets</b>	<b>(25,190)</b>	<b>105,312</b>	<b>(17,018)</b>
<b>Net financial assets, beginning of year</b>	<b>539,739</b>	<b>539,739</b>	<b>556,757</b>
<b>Net financial assets, end of year</b>	<b>\$ 514,549</b>	<b>\$ 645,051</b>	<b>\$ 539,739</b>

*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**

**2019**

**2018**

**Cash flows from operating activities**

Annual deficit	\$ (58,076)	\$ (142,854)
Adjustment for non-cash items		
Amortization	179,702	199,058
Bad debt expense	10,695	510
(Gain) loss on disposal of tangible capital assets	(18,716)	3,955
	<b>113,605</b>	<b>60,669</b>
Changes in non-cash working capital		
Accounts receivable	(33,280)	(29,977)
Accounts receivable – provision for doubtful accounts	-	(5,708)
Inventories held for resale	1,340	(2,095)
Prepaid expenses	1,110	1,051
Inventories held for use	(162)	(1,974)
Accounts payable and accrued liabilities	(22,586)	26,184
Deferred revenue	11,300	(30,905)
Employee future benefits	(218,428)	23,807
<b>Cash (applied to) provided from operating transactions</b>	<b>(147,101)</b>	<b>41,052</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(28,546)	(89,000)
Proceeds from disposal of tangible capital assets	30,000	12,746
<b>Cash provided from (applied to) capital transactions</b>	<b>1,454</b>	<b>(76,254)</b>
<b>Financing transactions</b>		
Repayment of Government loan	-	(250,000)
Increase in capital lease obligations	23,551	11,925
Repayment of capital lease obligations	(38,196)	(43,695)
<b>Cash applied to financial transactions</b>	<b>(14,645)</b>	<b>(281,770)</b>
<b>Net decrease in cash</b>	<b>(160,292)</b>	<b>(316,972)</b>
<b>Cash, beginning of year</b>	<b>1,141,131</b>	<b>1,458,103</b>
<b>Cash, end of year</b>	<b>\$ 980,839</b>	<b>\$ 1,141,131</b>

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

**C.A. PIPPY PARK COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2019**

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**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, and obligations under capital leases. 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, 2019**

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**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 are measured at amortized cost.

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, and obligations under capital leases 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 Park use, cost is allocated between land and buildings.

**C.A. PIPPY PARK COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2019**

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**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, 1991*. Employee contributions are matched by the Commission and remitted to Provident<sup>10</sup> 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 5 years of earnings up to January 1, 2015, or the average of the best 6 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, 2019**

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**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.

**C.A. PIPPY PARK COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2019**

**3. Change in accounting policy**

On April 1, 2018, the Corporation adopted *PS 3430 Restructuring Transactions*. This is a new standard on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities. The accounting change had no impact on the consolidated financial statements.

**4. Accounts receivable**

	<u>2019</u>	<u>2018</u>
Trade	\$ 72,242	\$ 35,432
Harmonized sales tax	3,304	16,834
	<u>75,546</u>	52,266
Less: allowance for doubtful accounts	(695)	-
Net accounts receivable	<u>\$ 74,851</u>	<u>\$ 52,266</u>

**5. Deferred revenue**

	<u>2019</u>	<u>2018</u>
Golf course	\$ 111,459	\$ 107,962
Clubhouse	44,600	34,117
Rental	5,083	8,220
Campground	18,437	16,313
Other	7,375	9,042
	<u>\$ 186,954</u>	<u>\$ 175,654</u>

Golf course deferred revenue relates to golf packages and gift certificates sold during the fiscal year that relate to the 2019 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 2019 camping season. Other deferred revenue relates to property lease payments received that relates to the 2019-20 fiscal year.

**C.A. PIPPY PARK COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2019**

**6. Obligations under capital leases**

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

	<u>2019</u>	<u>2018</u>
Obligations under capital leases	\$ 68,496	\$ 83,141

Future minimum lease payments under capital leases are:

2020	\$ 44,062
2021	20,212
2022	<u>5,679</u>
	69,953
Less: interest portion of payments	<u>(1,457)</u>
	<u>\$ 68,496</u>

The capital leases are secured by equipment having a net book value of \$72,298.

**7. Employee future benefits**

	<u>2019</u>	<u>2018</u>
Severance benefits	\$ 15,528	\$ 238,461
<u>Provision for accumulating, non-vesting, sick leave</u>	<u>43,603</u>	39,098
	<u>\$ 59,131</u>	<u>\$ 277,559</u>

Severance liability

Employees of the Commission as at March 31, 2018, as represented by the Newfoundland and Labrador Association of Public and Private Employees (NAPE), were entitled to severance pay. No further severance will accrue for employees represented by NAPE after March 31, 2018. Executive, management, and non-management/non-union employees of the Commission as at May 31, 2018 were entitled to severance pay. No further severance will accrue for these employees after May 31, 2018. All employees had the option of receiving their severance entitlement prior to March 31, 2019 or deferring it to a later date.

The severance liability as at March 31, 2019 represents severance owing to employees who deferred receiving their severance entitlement. These employees will receive their severance entitlement when they cease employment with the Commission or transfer to another entity in the public service in which case any remaining severance will be transferred with the employee to the other entity.

**C.A. PIPPY PARK COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2019**

**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, 1991* (the *Act*). The Pension plan is administered by Provident<sup>10</sup>, 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% (2018 - 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, 2019 was \$74,263 (2018 - \$71,608).

**8. Tangible capital assets**

**Original cost**

	Balance March 21, 2018	Capital assets no longer under lease	Additions	Disposals	Balance March 31, 2019
Park					
Land	\$ 5,429,850	\$ -	\$ -	\$ (11,284)	\$ 5,418,566
Furniture and equipment	365,826	-	2,995	-	368,821
Vehicles	95,482	-	-	-	95,482
Equipment under capital leases	-	-	23,551	-	23,551
Buildings	1,221,365	-	-	-	1,221,365
Park improvements	1,826,322	-	2,000	-	1,828,322
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	201,874	(54,903)	-	-	146,971
Furniture and equipment	643,587	54,903	-	-	698,490
	<b>\$ 13,608,904</b>	<b>\$ -</b>	<b>\$ 28,546</b>	<b>\$ (11,284)</b>	<b>\$ 13,626,166</b>



**C.A. PIPPY PARK COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2019**

**8. Tangible capital assets (cont.)**

**Accumulated amortization**

	Balance March 31, 2018	Transfer of accumulated amortization of assets no longer under lease	Amortization	Accumulated amortization on disposals	Balance March 31, 2019	Net book value March 31, 2019	Net book value March 31, 2018
Park							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,418,566	\$ 5,429,850
Furniture and equipment	326,733	-	13,310	-	340,043	28,778	39,093
Vehicles	43,298	-	15,828	-	59,126	36,356	52,184
Equipment under capital leases	-	-	2,444	-	2,444	21,107	-
Buildings	1,105,758	-	11,412	-	1,117,170	104,195	115,607
Park improvements	1,423,538	-	40,223	-	1,463,761	364,561	402,784
Golf course							
Land	-	-	-	-	-	1,809,696	1,809,696
Golf course improvements	997,380	-	34,942	-	1,032,322	313,989	348,931
Buildings	453,015	-	21,503	-	474,518	194,073	215,576
Equipment under capital leases	118,164	(44,323)	21,939	-	95,780	51,191	83,710
Furniture and equipment	593,890	44,323	18,101	-	656,314	42,176	49,697
	\$ 5,061,776	\$ -	\$ 179,702	\$ -	\$ 5,241,478	\$ 8,384,688	\$ 8,547,128

**C.A. PIPPY PARK COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2019**

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**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, Industry and Innovation, for the Crown.

**9. Related party transactions**

- (a) During the year, the Commission received an operating grant of \$459,500 (2018 - \$382,800) from the Province.
- (b) Services and rental revenue include revenues from the Province in the amount of \$259,355 (2018 - \$241,593) as a result of ongoing contracts.

**C.A. PIPPY PARK COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2019**

**10. Segmented information**

The Commission reports its revenue and expenses by program area.

	Golf course		Campground		General park		Administration		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenues</b>										
Province of Newfoundland and Labrador operating grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 459,500	\$ 382,800	\$ 459,500	\$ 382,800
Golf course (Note 11)	790,478	837,682	-	-	-	-	-	-	790,478	837,682
Campground (Note 12)	-	-	600,449	627,222	-	-	-	-	600,449	627,222
Services	-	-	-	-	307,612	303,178	-	-	307,612	303,178
Rental	-	-	-	-	-	-	120,436	102,086	120,436	102,086
Miscellaneous	197	407	-	-	-	-	56,861	51,874	57,058	52,281
Advertising	7,599	7,599	-	-	-	-	-	-	7,599	7,599
Interest	5,006	2,347	-	-	-	-	13,304	11,034	18,310	13,381
	803,280	848,035	600,449	627,222	307,612	303,178	650,101	547,794	2,361,442	2,326,229
<b>Expenses</b>										
Advertising and promotion	4,855	1,693	-	490	-	-	233	205	5,088	2,388
Amortization	96,485	116,463	-	-	-	-	83,217	82,595	179,702	199,058
Bank charges	23,762	21,636	-	-	-	-	19,456	18,696	43,218	40,332
Bad debt expense	695	510	-	-	-	-	10,000	-	10,695	510
Building maintenance	38,172	47,603	11,222	25,037	3,280	28,314	15,600	26,450	68,274	127,404
Course maintenance	46,521	66,791	-	-	-	-	-	-	46,521	66,791
Equipment maintenance	31,518	25,511	-	-	25,820	32,751	-	-	57,338	58,262
Fuel	37,073	28,655	-	-	20,333	24,757	-	-	57,406	53,412
Heat, light and telephone	48,869	50,469	39,955	41,262	15,612	15,017	27,441	27,023	131,877	133,771
Honoraria	-	-	-	-	-	-	495	280	495	280
Insurance	29,033	25,949	-	-	-	-	39,311	41,535	68,344	67,484
Interest on capital lease obligations	3,685	5,524	-	-	-	-	-	26	3,685	5,550
Miscellaneous	3,174	863	329	438	57,047	56,643	1,773	927	62,323	58,871
Office	7,040	7,606	310	125	-	-	10,848	11,116	18,198	18,847
Professional fees	3,218	4,066	842	980	-	-	2,025	1,556	6,085	6,602
Salaries and employee benefits	534,317	521,560	191,558	188,867	461,584	489,498	456,824	388,537	1,644,283	1,588,462
Supplies	4,979	5,494	9,982	9,488	14,531	17,211	4,183	4,716	33,675	36,909
Training	-	-	95	-	789	-	143	195	1,027	195
	913,396	930,393	254,293	266,687	598,996	664,191	671,549	603,857	2,438,234	2,465,128
<b>Annual surplus (deficit) before gain on disposal of tangible capital assets</b>	<b>\$ (110,116)</b>	<b>\$(82,358)</b>	<b>\$346,156</b>	<b>\$360,535</b>	<b>\$(291,384)</b>	<b>\$(361,013)</b>	<b>\$ (21,448)</b>	<b>\$ (56,063)</b>	<b>\$ (76,792)</b>	<b>\$(138,899)</b>
<b>Gain (loss) on disposal of tangible capital assets</b>	<b>-</b>	<b>5,817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,716</b>	<b>(9,772)</b>	<b>18,716</b>	<b>(3,955)</b>
<b>Annual surplus (deficit)</b>	<b>\$ (110,116)</b>	<b>\$(76,541)</b>	<b>\$346,156</b>	<b>\$360,535</b>	<b>\$(291,384)</b>	<b>\$(361,013)</b>	<b>\$ (2,732)</b>	<b>\$ (65,835)</b>	<b>\$ (58,076)</b>	<b>\$(142,854)</b>

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**11. Golf course revenue**

**Course operations**

	<b>2019 <u>Budget</u> (Note 16)</b>	<b>2019 <u>Actual</u></b>	<b>2018 <u>Actual</u></b>
Green fees	\$ 611,000	\$ 484,318	\$ 521,523
Rentals	164,800	129,641	143,393
	<b>775,800</b>	<b>613,959</b>	664,916
Proshop sales	12,000	9,433	12,026
Less: cost of goods sold	(4,450)	(3,789)	(4,450)
	<b>7,550</b>	<b>5,644</b>	7,576
<b>Course operations</b>	<b>783,350</b>	<b>619,603</b>	672,492
<b>Clubhouse operations</b>			
Salon rentals	37,000	42,885	34,463
Catering commissions	37,000	39,921	34,676
	<b>74,000</b>	<b>82,806</b>	69,139
Salon sales	169,000	139,933	153,148
Less: cost of goods sold	(63,300)	(51,864)	(57,097)
	<b>105,700</b>	<b>88,069</b>	96,051
<b>Clubhouse operations</b>	<b>179,700</b>	<b>170,875</b>	165,190
	<b>\$ 963,050</b>	<b>\$ 790,478</b>	\$ 837,682

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**12. Campground revenue**

	<b>2019</b> <b><u>Budget</u></b> <b>(Note 16)</b>	<b>2019</b> <b><u>Actual</u></b>	<b>2018</b> <b><u>Actual</u></b>
Registration fees	\$ 620,000	\$ 577,485	\$ 603,524
Sales	-	45,803	43,151
Less: cost of goods sold	-	(22,839)	(19,453)
	-	22,964	23,698
	\$ 620,000	\$ 600,449	\$ 627,222

**13. Contractual obligations**

Equipment has been leased by the Commission. In addition, the Commission has entered into an agreement for trail maintenance. Minimum payments over the terms of the agreements are:

2020	\$ 54,000
2021	54,000
2022	<u>54,000</u>
	<u>\$ 162,000</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:

2020	\$ 92,600
2021	92,600
2022	<u>92,600</u>
	<u>\$ 277,800</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.

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**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 harmonized sales tax receivable due to its 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 4.

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 as disclosed in Note 6, and its contractual obligations as disclosed in 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. The Golf Course has an authorized line of credit totaling \$5,000, which is unused as at March 31, 2019.

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.

**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.

**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.