

C.A. PIPPY PARK COMMISSION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016

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



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

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the C.A. Pippy Park Commission which comprise the consolidated statement of financial position as at March 31, 2016, the consolidated statements of operations, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Independent Auditor's Report (cont.)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the consolidated financial statements present fairly, in all material respects, the financial position of the C.A. Pippy Park Commission as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink, appearing to read 'Terry Paddon', with a long horizontal line extending to the right.

TERRY PADDON, CPA, CA
Auditor General

August 18, 2016
St. John's, Newfoundland and Labrador

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

2016

2015

FINANCIAL ASSETS

Cash	\$ 1,238,950	\$ 924,341
Accounts receivable (Note 3)	20,467	17,460
Inventories held for resale	14,758	15,224
	1,274,175	957,025

LIABILITIES

Accounts payable and accrued liabilities	141,894	105,900
Deferred revenue (Note 4)	139,556	123,384
Obligations under capital leases (Note 5)	123,773	87,325
Employee future benefits (Note 6)	281,046	258,090
Advance from Province of Newfoundland and Labrador (Note 7)	250,000	250,000

	936,269	824,699
Net financial assets	337,906	132,326

NON-FINANCIAL ASSETS

Prepaid expenses	19,164	23,059
Inventories held for use	15,353	16,088
Tangible capital assets (Note 8)	8,809,674	8,905,793

	8,844,191	8,944,940
Accumulated surplus	\$ 9,182,097	\$ 9,077,266

Contractual obligations (Note 13)

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

	2016 Budget	2016 Actual	2015 Actual
	(Note 15)		
REVENUES (Note 10)			
Province of Newfoundland and Labrador			
Operating grant	\$ 606,600	\$ 606,600	\$ 539,600
Golf course (Note 11)	1,069,500	987,110	999,429
Campground (Note 12)	573,000	633,057	572,673
Services	300,000	300,077	292,739
Rental	54,000	54,468	57,166
Driving range	50,000	47,286	43,087
Miscellaneous	24,000	59,439	26,785
Advertising	11,500	11,487	11,487
Interest	2,500	8,022	9,108
	2,691,100	2,707,546	2,552,074
EXPENSES (Note 10)			
Golf course	1,010,064	938,720	962,256
Campground	248,894	278,886	301,228
General park	989,501	633,949	640,277
Administration and other	506,080	751,160	712,565
	2,754,539	2,602,715	2,616,326
Annual surplus (deficit)	(63,439)	104,831	(64,252)
Accumulated surplus, beginning of year	9,077,266	9,077,266	9,141,518
Accumulated surplus, end of year	\$ 9,013,827	\$ 9,182,097	\$ 9,077,266

*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

	2016 Budget	2016 Actual	2015 Actual
(Note 15)			
Annual surplus (deficit)	\$ (63,439)	\$ 104,831	\$ (64,252)
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(133,241)	(40,519)
Net book value of tangible capital asset disposals	-	3,304	155
Amortization of tangible capital assets	235,775	226,056	250,416
	235,775	96,119	210,052
Changes in other non-financial assets			
Use of prepaid expenses	-	23,059	20,329
Acquisition of prepaid expenses	-	(19,164)	(23,059)
Net consumption of inventories held for use	-	735	879
	-	4,630	(1,851)
Increase in net financial assets/decrease in net debt and increase in net financial assets	172,336	205,580	143,949
Net financial assets (debt), beginning of year	132,326	132,326	(11,623)
Net financial assets, end of year	\$ 304,662	\$ 337,906	\$ 132,326

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

2016

2015

Cash flows from operating activities

Annual surplus (deficit)	\$ 104,831	\$ (64,252)
Adjustment for non-cash items		
Amortization	226,056	250,416
Loss on disposal of tangible capital assets	3,304	155
	334,191	186,319
Changes in non-cash working capital		
Accounts receivable	(3,007)	23,416
Inventories held for resale	466	2,961
Prepaid expenses	3,895	(2,730)
Inventories held for use	735	879
Accounts payable and accrued liabilities	35,994	(1,627)
Deferred revenue	16,172	25,310
Employee future benefits	22,956	34,075
Cash provided from operating transactions	411,402	268,603
Capital transactions		
Acquisition of tangible capital assets - purchased from operations	(35,989)	(40,519)
Acquisition of tangible capital assets - purchased under capital lease	(97,252)	-
Cash applied to capital transactions	(133,241)	(40,519)
Financing transactions		
Increase in capital lease obligations	97,252	-
Repayment of capital lease obligations	(60,804)	(53,762)
Cash provided from (applied to) financial transactions	36,448	(53,762)
Net increase in cash	314,609	174,322
Cash, beginning of year	924,341	750,019
Cash, end of year	\$ 1,238,950	\$ 924,341

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016

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 the advance from the Province of Newfoundland and Labrador. 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, 2016

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 and the advance from the Province of Newfoundland and Labrador. Obligations under capital leases are measured at amortized cost.

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, obligations under capital leases, and the advance from the Province of Newfoundland and Labrador 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, 2016

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 represented by the Newfoundland and Labrador Association of Public and Private Employees (NAPE) and certain management employees are entitled to severance pay. Severance pay for entitled employees is calculated based on years of service and current salary levels. Entitlement to severance pay vests with employees after nine years of continuous service and, accordingly, a liability has been recorded for these employees. For employees with less than nine years of continuous service, the Commission has made a provision in the accounts for the payment of severance which is based upon the Commission's best estimate of the probability of having to pay severance to the employees and current salary levels. Severance is payable when the employee ceases employment with the Commission unless the employee transfers to another entity in the public service in which case the liability is transferred with the employee to the other entity.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016

2. Summary of significant accounting policies (cont.)

(h) Employee future benefits (cont.)

- (ii) The employees of the Commission are subject to the *Public Service Pensions Act, 1991*. Employee contributions are matched by the Commission and remitted to the Public Service Pension Plan Corporation from which pensions will be paid to employees when they retire. This 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.

- (iii) 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.

(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.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016

2. Summary of significant accounting policies (cont.)

(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.

3. Accounts receivable

	<u>2016</u>	<u>2015</u>
Trade	\$ 22,116	\$ 18,360
Harmonized sales tax	4,059	4,808
	<u>26,175</u>	<u>23,168</u>
Less: allowance for doubtful accounts	(5,708)	(5,708)
Net accounts receivable	\$ 20,467	\$ 17,460

4. Deferred revenue

	<u>2016</u>	<u>2015</u>
Golf course	\$ 81,573	\$ 80,183
Clubhouse	29,517	15,684
Rental	18,570	13,266
Campground	9,896	14,251
	<u>\$ 139,556</u>	<u>\$ 123,384</u>

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016

4. Deferred revenue (cont.)

Golf course deferred revenue relates to golf packages and gift certificates sold during the fiscal year that relate to the 2016 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 for future periods and a property lease payment received that relates to the 2016-17 fiscal year. Campground deferred revenue relates to deposits received on reservations.

5. Obligations under capital leases

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

	<u>2016</u>	<u>2015</u>
<u>Obligations under capital leases</u>	<u>\$ 123,773</u>	<u>\$ 87,325</u>

Future minimum lease payments under capital leases are:

2017	\$ 51,508
2018	41,170
2019	25,804
2020	<u>21,362</u>
	139,844
Less: interest portion of payments	<u>(16,071)</u>
	<u>\$ 123,773</u>

The capital leases are secured by equipment having a net book value of \$120,880.

6. Employee future benefits

	<u>2016</u>	<u>2015</u>
Vested severance benefits	\$ 170,578	\$ 132,835
Non-vested severance benefits	38,165	56,690
<u>Provision for accumulating, non-vesting, sick leave</u>	<u>72,303</u>	<u>68,565</u>
	<u>\$ 281,046</u>	<u>\$ 258,090</u>

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 Plan is administered by the Public Service Pension Plan Corporation, including payment of pension benefits to employees to whom the *Act* applies.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016

6. Employee future benefits (cont.)

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% (2015 - 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, 2016, was \$78,076 (2015 - \$58,229).

7. Advance from Province of Newfoundland and Labrador

On March 30, 2001, the Commission received a repayable advance in the amount of \$250,000 from the Province of Newfoundland and Labrador. There are no set terms of repayment. The advance payable remained outstanding at year end.

8. Tangible capital assets

Original cost

	Balance March 31, 2015	Capital Assets no longer under lease	Additions	Disposals	Balance March 31, 2016
Park					
Land	\$ 5,429,850	\$ -	\$ -	\$ -	\$ 5,429,850
Furniture and equipment	396,923	-	8,325	(73,065)	332,183
Vehicles	38,355	-	-	-	38,355
Equipment under capital lease	39,914	-	-	-	39,914
Buildings	1,689,605	-	1,425	-	1,691,030
Park improvements	1,791,558	-	9,050	(7,500)	1,793,108
Golf course					
Land	1,809,696	-	-	-	1,809,696
Golf course improvements	1,346,311	-	-	-	1,346,311
Buildings	530,469	-	-	-	530,469
Equipment under capital lease	184,522	(129,620)	97,252	-	152,154
Furniture and equipment	484,836	129,620	17,189	-	631,645
	\$ 13,742,039	\$ -	\$ 133,241	\$ (80,565)	\$ 13,794,715

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016

8. Tangible capital assets (cont.)

Accumulated amortization

	Balance March 31, 2015	Transfer of accumulated amortization of assets no longer under lease	Amortization	Accumulated amortization on additions/disposals	Balance March 31, 2016	Net book value March 31, 2016	Net book value March 31, 2015
Park							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,429,850	\$ 5,429,850
Furniture and equipment	359,568	-	12,440	(72,675)	299,333	32,850	37,355
Vehicles	26,106	-	4,299	-	30,405	7,950	12,249
Equipment under capital leases	16,165	-	7,125	-	23,290	16,624	23,749
Buildings	1,409,021	-	28,086	-	1,437,107	253,923	280,584
Park improvements	1,287,779	-	50,102	(4,586)	1,333,295	459,813	503,779
Golf course							
Land	-	-	-	-	-	1,809,696	1,809,696
Golf course improvements	866,999	-	47,931	-	914,930	431,381	479,312
Buildings	331,166	-	19,931	-	351,097	179,372	199,303
Equipment under capital leases	115,886	(91,829)	23,841	-	47,898	104,256	68,636
Furniture and equipment	423,556	91,829	32,301	-	547,686	83,959	61,280
	\$ 4,836,246	\$ -	\$ 226,056	\$ (77,261)	\$ 4,985,041	\$ 8,809,674	\$ 8,905,793

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016

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 Environment and Conservation, for the Crown.

9. Related party transactions

(a) During the year, the Commission received an operating grant of \$606,600 (2015 - \$539,600) from the Province.

(b) Services and rental revenue include revenues from the Province in the amount of \$327,621 (2015 - \$256,432) as a result of ongoing contracts.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016

10. Segmented information

The Commission reports its revenue and expenses by program area.

	Golf course		Campground		General park		Administration		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues										
Province of Newfoundland and Labrador operating grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 606,600	\$ 539,600	\$ 606,600	\$ 539,600
Golf course (Note 11)	987,110	999,429	-	-	-	-	-	-	987,110	999,429
Campground (Note 12)	-	-	633,057	572,673	-	-	-	-	633,057	572,673
Services	-	-	-	-	300,077	292,739	-	-	300,077	292,739
Rental	-	-	-	-	-	-	54,468	57,166	54,468	57,166
Driving range	47,286	43,087	-	-	-	-	-	-	47,286	43,087
Miscellaneous	8,688	6,065	-	-	-	-	50,751	20,720	59,439	26,785
Advertising	11,487	11,487	-	-	-	-	-	-	11,487	11,487
Interest	895	1,619	-	-	-	-	7,127	7,489	8,022	9,108
	1,055,466	1,061,687	633,057	572,673	300,077	292,739	718,946	624,975	2,707,546	2,552,074
Expenses										
Advertising and promotion	2,732	1,747	1,821	2,228	-	426	1,797	1,315	6,350	5,716
Amortization	57,293	55,671	-	-	-	-	168,763	194,745	226,056	250,416
Bank charges	21,865	22,126	-	-	-	-	17,692	17,853	39,557	39,979
Building maintenance	51,953	63,779	9,133	50,779	8,473	52,387	39,303	10,315	108,862	177,260
Course maintenance	51,143	56,819	-	-	-	-	-	-	51,143	56,819
Driving range	3,752	4,643	-	-	-	-	-	-	3,752	4,643
Equipment maintenance	37,058	38,562	-	-	38,103	41,067	-	-	75,161	79,629
Fuel	31,893	35,844	-	-	27,415	30,036	-	-	59,308	65,880
Heat, light and telephone	49,088	55,483	42,215	46,113	12,962	17,520	28,356	31,739	132,621	150,855
Honoraria	-	-	-	-	-	-	280	280	280	280
Insurance	24,057	25,258	-	-	-	-	39,748	42,348	63,805	67,606
Interest on capital lease obligations	5,388	5,908	-	-	-	-	78	78	5,466	5,986
Loss on disposal of tangible capital assets	-	-	-	-	-	-	3,304	155	3,304	155
Miscellaneous	3,143	4,351	813	333	2,400	3,967	1,766	2,765	8,122	11,416
Office	7,762	7,021	600	897	-	-	9,811	9,053	18,173	16,971
Professional fees	3,250	2,510	1,200	150	-	-	6,371	4,296	10,821	6,956
Salaries and employee benefits	583,260	574,103	214,812	195,137	525,209	478,332	429,005	392,389	1,752,286	1,639,961
Supplies	5,083	8,431	8,234	5,591	18,706	16,542	4,828	3,735	36,851	34,299
Training	-	-	58	-	681	-	58	-	797	-
Travel	-	-	-	-	-	-	-	1,499	-	1,499
	938,720	962,256	278,886	301,228	633,949	640,277	751,160	712,565	2,602,715	2,616,326
Annual surplus (deficit)	\$ 116,746	\$ 99,431	\$354,171	\$ 271,445	\$ (333,872)	\$ (347,538)	\$ (32,214)	\$ (87,590)	\$ 104,831	\$ (64,252)

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016

11. Golf Course revenue

Course operations

	2016 Budget (Note 15)	2016 Actual	2015 Actual
Green fees	\$ 678,500	\$ 612,345	\$ 628,381
Rentals	174,500	158,476	169,261
	853,000	770,821	797,642
Proshop sales	10,000	12,133	10,032
Less: cost of goods sold	(4,000)	(5,129)	(4,016)
	6,000	7,004	6,016
Course operations	859,000	777,825	803,658
Clubhouse operations			
Salon rentals	45,500	46,486	42,520
Catering commissions	52,000	49,580	45,896
	97,500	96,066	88,416
Salon sales	195,000	182,495	181,562
Less: cost of goods sold	(82,000)	(69,276)	(74,207)
	113,000	113,219	107,355
Clubhouse operations	210,500	209,285	195,771
	\$ 1,069,500	\$ 987,110	\$ 999,429

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12. Campground revenue

	2016 <u>Budget</u> (Note 15)	2016 <u>Actual</u>	2015 <u>Actual</u>
Registration fees	\$ 573,000	\$ 612,012	\$ 555,991
Sales	-	47,201	41,045
Less: cost of goods sold	-	(26,156)	(24,363)
	-	21,045	16,682
	\$ 573,000	\$ 633,057	\$ 572,673

13. Contractual obligations

Equipment has been leased by the Commission. Minimum lease payments over the remaining term of the leases are as follows:

2017	\$ 7,508
2018	1,244
2019	<u>311</u>
	<u>\$ 9,063</u>

14. 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.

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 3.

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14. Financial risk management (cont.)

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 5, the advance from the Province of Newfoundland and Labrador, 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.

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 interest rate risk related to the advance from the Province of Newfoundland and Labrador as this financial instrument is non-interest bearing.

15. 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.

16. 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.