C.A. PIPPY PARK COMMISSION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

Management's Report

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

The 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 financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the 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 on a quarterly basis and external audited financial statements yearly.

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

On behalf of C.A. Pippy Park Commission

Mr. Ric Mercer

Executive Director

AUDITOR GENERAL
of 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

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, 2018, 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, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Julia Mullaley

JULIA MULLALEY, CPA, CA
Auditor General

August 8, 2018
St. John's, Newfoundland and Labrador

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

	2018	2017
FINANCIAL ASSETS		
Cash	**$ 1,141,131**	$ 1,458,103
Accounts receivable (Note 4)	**52,266**	17,091
Inventories held for resale	**12,886**	10,791
	1,206,283	1,485,985
LIABILITIES		
Accounts payable and accrued liabilities	**130,190**	104,006
Deferred revenue (Note 5)	**175,654**	206,559
Obligations under capital leases (Note 6)	**83,141**	114,911
Employee future benefits (Note 7)	**277,559**	253,752
Advance from Province of Newfoundland and Labrador (Note 8)	**-**	250,000
	666,544	929,228
Net financial assets	**539,739**	556,757
NON-FINANCIAL ASSETS		
Prepaid expenses	**21,716**	22,767
Inventories held for use	**17,690**	15,716
Tangible capital assets (Note 9)	**8,547,128**	8,673,887
	8,586,534	8,712,370
Accumulated surplus	**$ 9,126,273**	$ 9,269,127

Contractual obligations (Note 14)

Contractual rights (Note 15)

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

	2018 Budget (Note 17)	2018 Actual	2017 Actual
REVENUES (Note 11)			
Province of Newfoundland and Labrador Operating grant	$ 382,400	$ 382,800	$ 464,300
Golf course (Note 12)	980,239	837,682	972,551
Campground (Note 13)	611,500	627,222	609,029
Services	294,550	303,178	308,617
Rental	62,000	102,086	55,057
Driving range	-	-	40,700
Miscellaneous	51,333	52,281	69,153
Advertising	7,638	7,599	7,637
Interest	6,200	13,381	8,578
	2,395,860	2,326,229	2,535,622
EXPENSES (Note 11)			
Golf course	1,060,003	930,393	1,003,431
Campground	267,750	266,687	277,581
General park	593,535	664,191	632,744
Administration and other	600,324	603,857	605,636
	2,521,612	2,465,128	2,519,392
Annual (deficit) surplus before gain on disposal of tangible capital assets	(125,752)	(138,899)	16,230
(Loss) gain on disposal of tangible capital assets	-	(3,955)	70,800
Annual (deficit) surplus	(125,752)	(142,854)	87,030
Accumulated surplus, beginning of year	9,269,127	9,269,127	9,182,097
Accumulated surplus, end of year	$ 9,143,375	$ 9,126,273	$ 9,269,127

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

	2018 Budget	2018 Actual	2017 Actual
	(Note 17)		
Annual (deficit) surplus	$ (125,752)	$ (142,854)	$ 87,030
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(89,000)	(84,069)
Net book value of tangible capital asset disposals	-	16,701	5,431
Amortization of tangible capital assets	198,184	199,058	214,425
	198,184	126,759	135,787
Changes in other non-financial assets			
Use of prepaid expenses	-	22,767	19,164
Acquisition of prepaid expenses	-	(21,716)	(22,767)
Net acquisition of inventories held for use	-	(1,974)	(363)
	-	(923)	(3,966)
(Decrease) increase in net financial assets	72,432	(17,018)	218,851
Net financial assets, beginning of year	556,757	556,757	337,906
Net financial assets, end of year	$ 629,189	$ 539,739	$ 556,757

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	2018	2017
Cash flows from operating activities		
Annual (deficit) surplus	$ (142,854)	$ 87,030
Adjustment for non-cash items		
Amortization	199,058	214,425
Bad debt expense	510	-
Loss (gain) on disposal of tangible capital assets	3,955	(70,800)
	60,669	230,655
Changes in non-cash working capital		
Accounts receivable	(29,977)	3,376
Accounts receivable – provision for doubtful accounts	(5,708)	-
Inventories held for resale	(2,095)	3,967
Prepaid expenses	1,051	(3,603)
Inventories held for use	(1,974)	(363)
Accounts payable and accrued liabilities	26,184	(37,888)
Deferred revenue	(30,905)	67,003
Employee future benefits	23,807	(27,294)
Cash provided from operating transactions	41,052	235,853
Capital transactions		
Acquisition of tangible capital assets	(89,000)	(84,069)
Proceeds from disposal of tangible capital assets	12,746	76,231
Cash applied to capital transactions	(76,254)	(7,838)
Financing transactions		
Repayment of Government loan	(250,000)	-
Increase in capital lease obligations	11,925	37,795
Repayment of capital lease obligations	(43,695)	(46,657)
Cash applied to financial transactions	(281,770)	(8,862)
Net (decrease) increase in cash	(316,972)	219,153
Cash, beginning of year	1,458,103	1,238,950
Cash, end of year	$ 1,141,131	$ 1,458,103

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

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.

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.

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, as represented by the Newfoundland and Labrador Association of Public and Private Employees (NAPE), are entitled to severance pay. Severance pay for entitled employees is calculated based on years of service and current salary levels. Employees are entitled to one week of salary for each complete year of service as at March 31, 2018, to a maximum of 20 weeks. Entitled employees will not accrue severance after March 31, 2018. Entitled employees have the option of receiving their severance entitlement prior to March 31, 2019 or they may defer receiving their entitlement to a later date. Entitled employees would receive any remaining entitlement when they cease employment with the Commission unless the employee transfers to another entity in the public service in which case any remaining entitlement is transferred with the employee to the other entity.

On May 31, 2018, the Province of Newfoundland and Labrador enacted legislation affecting severance pay for executive, managers, non-management/non-union employees as outlined in Note 19.

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 Provident[10] 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.

(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.

(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.

2. Summary of significant accounting policies (cont.)

(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. Changes in accounting policies

(a) New accounting standards

On April 1, 2017, the Commission adopted the following five new CPSAS Handbook Sections:

PS 2200 Related Party Disclosures – a new standard defining related parties and establishing disclosure requirements for related party transactions.

PS 3210 Assets – a new standard providing guidance for applying the definition of assets and establishing general disclosure requirements for assets but does not provide guidance for the recognition and disclosure of specific types of assets.

PS 3320 Contingent Assets – a new standard defining and establishing disclosure requirements for contingent assets but does not include disclosure standards for specific types of contingent assets.

PS 3380 Contractual Rights – a new standard defining and establishing disclosure requirements for contractual rights but does not include disclosure standards for specific types of contractual rights.

PS 3420 Inter-entity Transactions – a new standard on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

In accordance with *PS 3380 Contractual Rights*, the Commission now discloses contractual rights as outlined in Note 15. The other accounting changes had no significant impact on the consolidated financial statements.

3. Changes in accounting policies (cont.)

(b) Accounting pronouncement

The PSAB has issued *PS 3430 Restructuring Transactions* which is effective April 1, 2018. 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 standard has not been applied in these consolidated financial statements.

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

4. Accounts receivable

	2018	2017
Trade	**$ 35,432**	$ 20,757
Harmonized sales tax	**16,834**	2,042
	52,266	22,799
Less: allowance for doubtful accounts	**-**	(5,708)
Net accounts receivable	**$ 52,266**	$ 17,091

There is no allowance for doubtful accounts since all amounts are considered collectable.

5. Deferred revenue

	2018	2017
Golf course	**$ 107,962**	$ 145,819
Clubhouse	**34,117**	26,552
Rental	**8,220**	8,556
Campground	**16,313**	14,090
Other	**9,042**	11,542
	$ 175,654	$ 206,559

Golf course deferred revenue relates to golf packages and gift certificates sold during the fiscal year that relate to the 2018 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 2018 camping season. Other deferred revenue relates to property lease payments received that relates to the 2018-19 fiscal year.

6. Obligations under capital leases

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

	2018	2017
Obligations under capital leases	$ 83,141	$ 114,911

Future minimum lease payments under capital leases are:

2019	$ 38,168
2020	32,624
2021	12,362
2022	3,062
	86,216
Less: interest portion of payments	(3,075)
	$ 83,141

The capital leases are secured by equipment having a net book value of $83,710.

7. Employee future benefits

	2018	2017
Vested severance benefits	$ 238,461	$ 188,245
Non-vested severance benefits	-	27,241
Provision for accumulating, non-vesting, sick leave	39,098	38,266
	$ 277,559	$ 253,752

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[10], 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% (2017 - 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, 2018, was $71,608 (2017 - $77,383).

8. 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. This balance was paid off in full during the current year.

9. Tangible capital assets

Original cost

	Balance March 21, 2017	Capital assets no longer under lease	Additions	Disposals	Balance March 31, 2018
Park					
Land	$ 5,429,850	$ -	$ -	$ -	$ 5,429,850
Furniture and equipment	317,357	39,914	8,555	-	365,826
Vehicles	38,355	-	57,127	-	95,482
Equipment under capital leases	39,914	(39,914)	-	-	-
Buildings	1,424,908	-	-	(203,543)	1,221,365
Park improvement	1,820,822	-	5,500	-	1,826,322
Golf course					
Land	1,809,696	-	-	-	1,809,696
Golf course improvements	1,346,311	-	-	-	1,346,311
Buildings	681,591	-	-	(13,000)	668,591
Equipment under capital leases	189,949	-	11,925	-	201,874
Furniture and equipment	637,694	-	5,893	-	643,587
	$ 13,736,447	**$ -**	**$ 89,000**	**$ (216,543)**	**$ 13,608,904**

9. Tangible capital assets (cont.)

Accumulated amortization

	Balance March 31, 2017	Transfer of accumulated amortization of assets no longer under lease	Amortization	Accumulated amortization on disposals	Balance March 31, 2018	Net book value March 31, 2018	Net book value March 31, 2017
Park							
Land	$ -	$ -	$ -	$ -	$ -	**$ 5,429,850**	$ 5,429,850
Furniture and equipment	283,757	28,277	14,699	-	326,733	**39,093**	33,600
Vehicles	32,928	-	10,370	-	43,298	**52,184**	5,427
Equipment under capital leases	28,277	(28,277)	-	-	-	**-**	11,637
Buildings	1,286,276	-	13,251	(193,769)	1,105,758	**115,607**	138,632
Park improvements	1,379,263	-	44,275	-	1,423,538	**402,784**	441,559
Golf course							
Land	-	-	-	-	-	**1,809,696**	1,809,696
Golf course improvements	958,068	-	39,312	-	997,380	**348,931**	388,243
Buildings	435,380	-	23,708	(6,073)	453,015	**215,576**	246,211
Equipment under capital leases	84,844	-	33,320	-	118,164	**83,710**	105,105
Furniture and equipment	573,767	-	20,123	-	593,890	**49,697**	63,927
	$ 5,062,560	$ -	$ 199,058	$ (199,842)	$ 5,061,776	**$ 8,547,128**	$ 8,673,887

9. 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.

10. Related party transactions

(a) During the year, the Commission received an operating grant of $382,800 (2017 - $464,300) from the Province.

(b) Services and rental revenue include revenues from the Province in the amount of $241,593 (2017 - $254,787) as a result of ongoing contracts.

11. Segmented information

The Commission reports its revenue and expenses by program area.

	Golf course		Campground		General park		Administration		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Revenues										
Province of Newfoundland and Labrador operating grant	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ 382,800**	$ 464,300	**$ 382,800**	$ 464,300
Golf course (Note 12)	**837,682**	972,551	**-**	-	**-**	-	**-**	-	**837,682**	972,551
Campground (Note 13)	**-**	-	**627,222**	609,029	**-**	-	**-**	-	**627,222**	609,029
Services	**-**	-	**-**	-	**303,178**	308,617	**-**	-	**303,178**	308,617
Rental	**-**	-	**-**	-	**-**	-	**102,086**	55,057	**102,086**	55,057
Driving range	**-**	40,700	**-**	-	**-**	-	**-**	-	**-**	40,700
Miscellaneous	**407**	8,621	**-**	-	**-**	-	**51,874**	60,532	**52,281**	69,153
Advertising	**7,599**	7,637	**-**	-	**-**	-	**-**	-	**7,599**	7,637
Interest	**2,347**	1,235	**-**	-	**-**	-	**11,034**	7,343	**13,381**	8,578
	848,035	1,030,744	**627,222**	609,029	**303,178**	308,617	**547,794**	587,232	**2,326,229**	2,535,622
Expenses										
Advertising and promotion	**1,693**	1,150	**490**	537	**-**	-	**205**	178	**2,388**	1,865
Amortization	**116,463**	133,542	**-**	-	**-**	-	**82,595**	80,883	**199,058**	214,425
Bank charges	**21,636**	26,205	**-**	-	**-**	-	**18,696**	18,510	**40,332**	44,715
Bad debt expense	**510**	-	**-**	-	**-**	-	**-**	-	**510**	-
Building maintenance	**47,603**	46,469	**25,037**	17,015	**28,314**	5,159	**26,450**	20,561	**127,404**	89,204
Course maintenance	**66,791**	51,702	**-**	-	**-**	-	**-**	-	**66,791**	51,702
Driving range	**-**	3,938	**-**	-	**-**	-	**-**	-	**-**	3,938
Equipment maintenance	**25,511**	43,469	**-**	-	**32,751**	56,525	**-**	-	**58,262**	99,994
Fuel	**28,655**	30,934	**-**	-	**24,757**	29,513	**-**	-	**53,412**	60,447
Heat, light and telephone	**50,469**	46,522	**41,262**	40,126	**15,017**	14,657	**27,023**	26,346	**133,771**	127,651
Honoraria	**-**	-	**-**	-	**-**	-	**280**	420	**280**	420
Insurance	**25,949**	24,953	**-**	-	**-**	-	**41,535**	41,681	**67,484**	66,634
Interest on capital lease obligations	**5,524**	6,943	**-**	-	**-**	-	**26**	78	**5,550**	7,021
Miscellaneous	**863**	4,437	**438**	211	**56,643**	3,878	**927**	532	**58,871**	9,058
Office	**7,606**	8,776	**125**	495	**-**	-	**11,116**	9,352	**18,847**	18,623
Professional fees	**4,066**	3,119	**980**	1,020	**-**	-	**1,556**	4,860	**6,602**	8,999
Salaries and employee benefits	**521,560**	565,891	**188,867**	211,684	**489,498**	501,785	**388,537**	397,947	**1,588,462**	1,677,307
Supplies	**5,494**	5,381	**9,488**	6,493	**17,211**	21,227	**4,716**	4,090	**36,909**	37,191
Training	**-**	-	**-**	-	**-**	-	**195**	198	**195**	198
	930,393	1,003,431	**266,687**	277,581	**664,191**	632,744	**603,857**	605,636	**2,465,128**	2,519,392
Annual surplus (deficit) before gain on disposal of tangible capital assets	**$ (82,358)**	$ 27,313	**$360,535**	$331,448	**$(361,013)**	$ (324,127)	**$ (56,063)**	$ (18,404)	**$ (138,899)**	$ 16,230
Gain (loss) on disposal of tangible capital assets	**5,817**	-	**-**	-	**-**	-	**(9,772)**	70,800	**(3,955)**	70,800
Annual surplus (deficit)	**$ (76,541)**	$ 27,313	**$360,535**	$331,448	**$(361,013)**	$ (324,127)	**$ (65,835)**	$ 52,396	**$ (142,854)**	$ 87,030

12. Golf course revenue

Course operations

	2018 Budget (Note 17)	2018 Actual	2017 Actual
Green fees	$ 630,454	$ 521,523	$ 624,806
Rentals	167,500	143,393	165,211
	797,954	664,916	790,017
Proshop sales	10,700	12,026	10,700
Less: cost of goods sold	(4,115)	(4,450)	(4,114)
	6,585	7,576	6,586
Course operations	804,539	672,492	796,603
Clubhouse operations			
Salon rentals	34,500	34,463	34,550
Catering commissions	42,000	34,676	42,180
	76,500	69,139	76,730
Salon sales	158,400	153,148	158,394
Less: cost of goods sold	(59,200)	(57,097)	(59,176)
	99,200	96,051	99,218
Clubhouse operations	175,700	165,190	175,948
	$ 980,239	$ 837,682	$ 972,551

13. Campground revenue

	2018 Budget (Note 17)	2018 Actual	2017 Actual
Registration fees	$ 611,500	$ 603,524	$ 586,961
Sales	-	43,151	47,544
Less: cost of goods sold	-	(19,453)	(25,476)
	-	23,698	22,068
	$ 611,500	$ 627,222	$ 609,029

14. 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:

2019	$ 54,311
2020	54,000
2021	54,000
2022	54,000
	$ 216,311

15. 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:

2019	$ 81,500
2020	59,000
2021	59,000
2022	59,000
	$ 258,500

16. 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 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, the advance from the Province of Newfoundland and Labrador, and its contractual obligations as disclosed in Note 14. 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, 2018.

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 was 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.

17. 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.

18. 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.

19. Subsequent event

On May 31, 2018, the Province of Newfoundland and Labrador enacted legislation affecting severance pay for executives, managers, and non-management/non-union employees. Effective June 1, 2018, these non-union employees with at least one year of continuous service will be entitled to one week of salary for each complete year of service to a maximum of 20 weeks. The value of severance will be based on an employee's rate of pay as of May 31, 2018, and no additional severance will accrue beyond May 31, 2018. Employees may elect to receive all of their entitlement by March 31, 2019, or they may defer receiving their entitlement to a later date. The Commission has included the impact of the legislation in the estimate of its severance pay liability for the year ended March 31, 2018.