

C.A. Pippy Park Commission

Annual Report 2018-19



Tourism, Culture, Industry and Innovation

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MESSAGE FROM THE CHAIR

On behalf of the C.A. Pippy Park Commission Board of Directors, I am pleased to present the Annual Report of the C.A. Pippy Park Commission for the fiscal year commencing April 1, 2018 and ending March 31, 2019 in accordance with the **Transparency and Accountability Act**. This report outlines the achievements of Commission's efforts in relation to the objectives established in its 2017-20 Business Plan. As Chairperson of the Board, my signature indicates the Board's accountability for the activities and results as reported throughout this document.

I would like to begin by taking this opportunity to offer, on behalf of the Commission, our sincere thanks to our staff, partners, and Park users. We also thank the Provincial Government for its continued financial and human resource support.

In 2018-19, tens of thousands of people visited the Park to enjoy activities they love. People come to the Park to walk, run, snowshoe, cross-country ski, bike, golf, camp, garden, and slide. We appreciate hearing how the Park is a readily accessible place for people to have fun, relax, rejuvenate, and connect to nature.

The Commission was pleased to be able to complete improvements to the Park in 2018-19, such as making repairs to the masonry at the English Courtyard at Mount Scio House and upgrading the infrastructure in the Campground. In addition, we continue to support the Friends of Pippy Park in their maple tapping grove and other agricultural ventures to increase the awareness of food security and growing your own food. The Commission is continuing to make infrastructure improvements and enhancing visitor services, and looks forward to furthering its partnerships within the community.

A handwritten signature in cursive script that reads "Sean Kelly". The signature is written in black ink and is positioned above the printed name and title.

SEAN KELLY
CHAIRMAN FOR THE C.A. PIPPY PARK COMMISSION

OVERVIEW

Board of Directors

The Commission is comprised of an eight member Board, which reports to the House of Assembly through the Minister of Tourism, Culture, Industry and Innovation. Members of the C.A. Pippy Park Commission Board are appointed in accordance with Section 4 of the **Pippy Park Commission Act**. On September 11, 2018 six new appointments to the Board were made through the **Independent Appointments Commission Act**. As of March 31, 2019, the following individuals were members of the Commission:

Chairperson:

Mr. Sean Kelly

Vice-Chairperson:

Ms. Pam Pippy

Board Members:

Ms. Stephanie Curran

Ms. Ann Browne

Ms. Sheilagh O'Leary

Ms. Sarah Stoodley

Mr. Jerry English

Mr. Rick Gill

Vision

The C.A. Pippy Park Commission is committed to managing the 1,375 hectare land mass that comprises Pippy Park. These lands represent many of the characteristic natural features of the Province in the form of barrens, forests, rivers, and wetlands. The Park is also the venue for a diversity of institutional and community service land uses ranging in size from the expansive campus of Memorial University of Newfoundland and Labrador to community gardens.

Thousands of people work, learn, volunteer, relax, and play in Pippy Park daily and the Park has evolved as the most identifiable natural landscape feature of the St. John's capital region. It is the primary vision of the Commission to ensure that it maintains and enhances this identity into the future through efficient operation of commercial facilities and stewardship of the natural features inherited from the foresight that established the Park five decades ago.

Mandate

The Mandate of the C.A. Pippy Park Commission derives from a combination of the **Pippy Park Commission Act**, the associated Regulations, and master plan:

"To maintain and manage its parklands to showcase the Provincial seat of government, provide recreational opportunities and protect their inherent heritage values."

The interpretation of this mandate is further defined through the contents of the Commission's Master Plan, which is reviewed every five years, as dictated by Subsection 26.1(2) of the **Pippy Park Commission Act**. Through this document, the Commission has traditionally identified the provision of recreational opportunities and the preservation of cultural and natural heritage as part of its mandate.

The primary activities of the Commission include:

- Managing and regulating its parklands, which includes the use, development, conservation, maintenance, and improvement of public land in the Park, pursuant with the regulations of the Act and policies contained in the Master Plan;
- Regulating consumptive activities, such as construction, hunting, and wood cutting, within the Park;
- Managing and administering operating and capital budgets, which entails revenue generation from commercial operations, the ability to borrow funds, the sale and leasing of property, and fulfilling grounds keeping contracts with its institutional partners;
- Operating the largest full service campground in the Province;
- Operating nine and eighteen-hole golf courses and banquet facilities;
- Providing recreational opportunities for park users and services to tourists visiting St. John's; and,
- Preserving the cultural and natural heritage resources within the Park boundaries.

Physical Location

The area of Pippy Park is approximately 1,375 hectares, one of the largest urban parks in the nation. Familiar Canadian parks such as Mount Royal (Montreal), Stanley Park (Vancouver), and Wascana Park (Regina) can all fit within its boundaries. The Park is strategically located within the City of St. John's and is comprised of the lands between the east side of Thorburn Road and the west side of Portugal Cove Road, and between the north side of Elizabeth Avenue and the south side of Windsor Lake.

For the past 50 years the vision of former Premier Joseph Smallwood and businessman Chesley Pippy has resulted in a remarkable array of government buildings, open space and natural areas all within the environs of an expanding capital. Since its establishment in 1968, Pippy Park still provides a marvelous setting for the Provincial seat of government as well as space for recreation and the appreciation of our heritage.

Key Statistics

Administration and Employment

The Commission employs seven full-time employees, four of which are male and three of which are female, for administration and maintenance. During peak operations, the Commission employs up to 35 employees, both seasonal and student staff, for grounds maintenance and operation of the Pippy Park Campground. The subsidiary, C.A. Pippy Park Golf Course Ltd., employs up to an additional 23 employees to operate the golf operations and the Admirals Green Clubhouse. Two of these employees, one of which is male and the other of which is female, are employed full-time. The remaining employees are employed seasonally.

Permits

The Commission has a broad mandate of responsibilities and powers under the **Pippy Park Commission Act**, including the power to regulate the development and improvement of both public and private property within the Park's boundaries. Approvals are issued in accordance with the Act and in compliance with the Master Plan, by-laws, and related policies.

Institutional and Community Service Facilities

The boundaries of Pippy Park contain a number of institutional, educational, and community service facilities, most prominently the Confederation Building, the combined campuses of Memorial University of Newfoundland and Labrador, the College of the North Atlantic, and the Marine Institute, the Health Sciences Centre, and the St. John's Arts and Culture Centre.

Commercial Properties

The Commission manages several commercial properties, including Mount Scio House, which contains the administrative offices of the Commission and a boardroom which is rented as meeting space, and North Bank Lodge, which is rented as a meeting and social activity center.

Private & Residential Properties

As of March 31, 2019, 41 privately owned residences were located within the Park. The Commission recognizes and encourages the right of the owners of these properties to enjoy the peace and contentment of living in the Park. The Commission manages two rental properties, both of which are occupied by tenants. When the Commission

purchased homes from private property owners, it assessed the value of these houses as potential rental units and a source of revenue to support the operations of the Commission. Buildings purchased by the Commission that have no rental or heritage value were removed and the land restored to the original landscape if possible.

Scientific Research and Monitoring

The Park continues to provide locations for scientific research and monitoring and continues to seek partnerships to study the natural and cultural history of the Park.

Revenues and Expenditures

The Commission is a Crown corporation under the laws of the Province of Newfoundland and Labrador. Currently it reports to the House of Assembly through the Minister of Tourism, Culture, Industry, and Innovation. The members of the Commission Board are responsible for the administration of the business of the Commission. The Chairperson assumes responsibility as the official head of the Commission in accordance with Section 8 of the **Pippy Park Commission Act**.

During the fiscal year 2018-19, the Commission operated primarily from revenue totaling \$2,361,442. The Commission's expenses during the same time period were \$2,438,234.

The financial year of the Commission is April 1 - March 31. The financial records of the Commission are maintained internally and are audited and reported on by the Office of the Auditor General of Newfoundland and Labrador. Audited financial statements are provided at the end of this annual report.

Lines of Business

1. Management and Regulation of Property Development

The Commission manages the development and usage of public land contained within its boundaries through the review and approval of project submissions for development on public lands and in some circumstances undertaking direct development of properties for activities defined within its mandate. In addition, as a legislative entity, the Commission is responsible for the review and approval of development applications on private land located within the Park boundaries.

The Commission occasionally sells land it owns which was once located within the boundaries of the park but has since been removed. These parcels are usually small in size and located near existing residential developments. Any sale of land is done in accordance with the **Pippy Park Commission Act** and revenue generated from land sales, typically, is used to help offset operating and capital expenditures. Very few of these parcels of land remain within the ownership of the Commission.

2. Grounds Maintenance

Commission employees perform landscape maintenance for various public buildings contained within the Park boundaries, including the Confederation Building, Arts & Culture Centre, College of the North Atlantic, and the Marine Institute. These activities include the maintenance of lawns and walkways, tree and flower planting, and litter collection. Commission employees perform this work on a fee-for-service basis.

3. Pippy Park Campground

The Commission operates a 215 site campground facility nestled in a mature forested area on the north side of Long Pond annually from mid-May to the end of October. The facility offers primarily fully serviced campsites and attracts near full occupancy during the summer months.

Commercial activities at the campground include site booking, convenience store and laundromat operation, and firewood sales. Park staff perform maintenance of the campsites and service buildings, as well as grounds keeping and security. The staff provides tourist information to the campers who enjoy the facility.

4. Golf Courses

The Commission, through its wholly-owned subsidiary, the Pippy Park Golf Course Ltd., is responsible for managing and operating the 18-hole Admiral's Green and nine-hole Captain's Hill public golf courses.

The Commission directly provides management and administration services for these courses, for which a management fee is charged to the subsidiary. Commercial operations consist of the sale of green fees, the rental of clubs, equipment, and carts. Other sales are generated from canteen and snack cart operations, the pro-shop, and lounge. Seasonal employees of the subsidiary perform grounds keeping, fairway and greens maintenance, and servicing of equipment and facilities.

5. Banquet and Meeting Facilities Rentals

Commercial banquet and meeting room facilities are operated on a fee-for-booking basis by the Golf Course subsidiary. The services offered include full service banquet and meeting space for corporate groups, weddings, and social events at the Admiral's Green Clubhouse. The Clubhouse can serve up to 130 sit-down guests and receives bookings year round. Separate from Golf Course operations, the Commission rents the North Bank Lodge and the Mount Scio House Boardroom for smaller meetings and events.

6. Property and Building Leasing

The Commission generates revenue from the lease and rental of residential and other properties within the Park. These leases include two residential properties, a golf driving range, several properties to community service organizations located in the Park, and several properties to the telecommunication industry. Activities associated with these leases include the collection of payments, snow removal, and general maintenance.

HIGHLIGHTS AND PARTNERSHIPS

The Park is home to the operations of many government, institutional, and community partners.

Government and institutional partners operate and occupy land within Pippy Park, including Memorial University of Newfoundland, the College of the North Atlantic, the Marine Institute, the Provincial Government, the Arts and Culture Centre, and Eastern Health. These partnerships are part of the regular daily business of the Commission. For example, the Commission completes ground maintenance and landscaping on most institutional properties and the Commission is responsible for approving land use changes, such as building extensions and new parking lots.

Social media has become a major communications channel with regular park users. The Commission keeps its Facebook page (found at facebook.com/pippypark.68) active and up to date with regular information and the local community will typically “Share” and “Like” many posts and pictures. Examples of the information posted include:

- The opening of the Campgrounds, golf course and pictures of their conditions.
- Photos and details of special events by Beagle Paws, Alzheimer’s Society, etc.
- Pictures showing current weather around the Park.
- Pictures and shared information from events (Wedding show photoshoots).
- Scout and cub troop outings information.
- Promotions of partner organizations that work within the park (ski program, Fluvarium, Botanical Gardens, YMCA, etc.)
- Public awareness posts – moose sightings, lost pets.

The Commission works together with community partners that reside within the Park to achieve common and individual organization goals, showcasing how programs offered by a diversity of organizations can operate within the managed lands of an urban park. The following community service organizations are located within the Park and in some situations lease property from the Commission:

- Fluvarium
- Sisters of Mercy Centre for Ecology and Justice
- St. John's Therapeutic Riding Association (Rainbow Riders)
- Memorial University of Newfoundland and Labrador Botanical Garden
- Autism Society of Newfoundland and Labrador (ASNL)
- Easter Seals of Newfoundland and Labrador
- YMCA of Northeast Avalon
- MacMorran Community Gardens
- Friends of Pippy Park (FoPP)

- Grand Concourse Authority
- Ronald MacDonald House
- O'Brien Farm Foundation
- Avalon Nordic Ski Club

These organizations have contributed much to the community, Pippy Park, and its clients. Whether it is interpreting freshwater ecosystems or providing recreation for children with disabilities, these entities enjoy the natural and peaceful venues of the Park. While these organizations do not directly generate revenues for the Commission, they do contribute substantially to the mandate and goals for which Pippy Park was established.

In January, 2019 Bicycle NL held a Snow bike Festival in Pippy Park in which there were 72 participants as well as demonstration on Snow bikes (Fat bikes) usage. These types of bicycles are a common site on trails within Pippy Park in the winter months and highlights the multi-use of the trail networks within the Park.

Pippy Park also has active partnerships with the City of St. John's, FoPP, and the O'Brien Farm Foundation. During the winter months, the City of St. John's operates its Cross Country Ski and Snowshoe Rental Program in support of the City's winter recreation program out of the North Bank Lodge. The Commission works regularly with FoPP to provide labour and administrative support to their events and programs. The Commission also provides meeting and office space, while FoPP continue to promote the Park, develop programs to enrich the experiences for visitors to the Park, and sponsor projects to further the objectives of the Commission.

Campground Improvements

In the 2018 camping season, the Pippy Park campground booked 14,617 camping nights. As part of the continuing effort by the Commission to enhance its popular campground, routine maintenance and improvements efforts were completed during the 2018-19 fiscal year. These included; electrical upgrades, installation of new hanging flower baskets in the Campground, enhanced signage and road repairs.

Golf and Clubhouse Catering

Both the Captains Hill and Admirals Green Golf courses remained popular with the golfing public in 2018-19. Both courses hosted various tournaments and corporate golfing events as well as accommodating league play. For the 2018-19 season there were 84 separate bookings for events and catering at the Admirals Green Clubhouse with a total of 7,407 guests attending these events.

North Bank Lodge Operations

The North Bank Lodge continued to offer bookings for meetings and social events during 2018-19. A total of 162 separate events were booked at the Lodge from April to December 2018. The rental of the facility was up compared to the previous year (130

events in 2017; 160 events in 2016). From January to March 2019 the facility was used by the City of St. John's to host the Cross Country Ski and Snowshoe Rental Program in support of the City's winter recreation program.

Walking Trails

During 2018-19, thousands of visitors enjoyed the network of walking trails throughout the Park. Although the Commission provides minor trail maintenance on some of the trails within the Park the most heavily utilized trails, such as the Kent's Pond and Long Pond trails are maintained by the Grand Concourse Authority.

Cross Country Skiing and Snowshoe Rental Program

The Cross Country Skiing and Snowshoe Rental Program operated from January to April 2019 in partnership with the City of St. John's. Pippy Park provides the North Bank Lodge and lighted campground roads in-kind to the City of St. John's, who run the program. Volunteers from the Avalon Nordic Ski Club, and a local sporting goods company, Outfitters Ltd, support the program. A total of 2,410 people rented equipment and 1,164 people participated in group programs. The number of people renting equipment went up approximately double from the previous year which had 1,096 rentals. Use of the Park for winter recreation is difficult to measure as visitors with their own equipment have access for no charge.

REPORT ON PERFORMANCE

Issue #1: Capital Investment in Park Facilities and Equipment

The primary infrastructure of Pippy Park include buildings, roadways, water, sewer and electrical lines, signage, trails, and equipment. The Commission has recognized the need for upgrading the existing physical infrastructures of the Park - most of which are nearly 50 years old. In addition to infrastructure improvements, there is a need to better promote the Park's facilities and the valuable role it plays in outdoor recreation and heritage conservation.

Usage of the Park has increased in tandem with the expansion of the St. John's urban area. New residential developments around the periphery of the Park have meant more visitors and the consequential deterioration of infrastructure. Annual increases in the demand for campsites have brought greater numbers of tourists to the campground with high expectations for quality service and amenities. Continued interest in the natural and cultural heritage of the Province keeps demand for programs within Pippy Park to interpret and promote these resources high. These primary determining factors highlight the need for reinvestment in the Park so that it may continue to fulfill its mandate as described 50 years ago.

Goal: By March 31, 2020, the C.A. Pippy Park Commission will have implemented a number of prioritized capital infrastructure improvement projects.

Objective: By March 31, 2019, the C.A. Pippy Park Commission will have completed improvements in at least two to three infrastructure projects.

Indicator 1: Repaired and restored the stonework and masonry of the Pippy Park Headquarters Courtyard and walkways.

The Headquarters at Pippy Park has an English Courtyard with stone walls and antique stone inserts. The Courtyard is an integral piece of architecture and is rented out for weddings and other social events.

The masonry has deteriorated over the years that required repairs to meet safety needs and improve aesthetic qualities. A mason has been contracted to repair the Courtyard and the concrete walkways adjacent to the Courtyard.

The repairs are required for one additional year and after that period all the necessary repairs will have been completed and only routine maintenance will be required.

The repairs to the Courtyard walls and walkways include; the removal of loose stone, mortaring all joints and weather-proofing stonewall and walkways.

The results of this project will result in a safe aesthetically pleasing area that will hopefully increase the number of weddings or other social groups that rent the Courtyard.

Indicator 2: Constructed storage structure after developing a detailed set of specifications and drawings for public tender.

In 2018-19 a set of detailed drawings and specifications were created for the replacement of a storage garage in Pippy Park. The drawings and specifications were required in order for the tendering process for the replacement of the building to continue.

Due to timing issues, the Pippy Park Commission was not able to the public tender and construct the storage structure in 2018-19. However, significant work was concluded by Commission staff, such as clearing the site of all trees, stumps and the material, so the building construction and cost would be minimized.

2019-20 Objective/Indicators

Objective: By March 31, 2020, the C.A. Pippy Park Commission will have completed improvements in in at least two to three infrastructure projects thus completing its capital investment goal for the 2017-20 business cycle.

Indicator 1: Expanded semi-serviced campsites in the Pippy Park campground.

Indicator 2: Released public tender for construction of storage structure.

Indicator 3: Completed the restoration of the stonework at the Pippy Park Headquarters Courtyard and walkways.

Indicator 4: Created a new communal fire pit with a seating area in the Pippy Park Campground.

Issue #2: Improved Services

The improvement of visitor services and promotional activities is an on-going enterprise of the Commission. Over the past business cycle, the Commission improved signage at significant entry points, updated the website and Campground map, and created a presence on social media.

During the 2017-20 business cycle, the Commission intends to complement previous initiatives by concentrating on specific visitor services projects that will increase public appreciation and knowledge about Pippy Park and the role the Commission plays in operating one of the largest urban parks in Canada.

Goal: By March 31, 2020, the C.A. Pippy Park Commission will have sought new partnerships and initiated and completed visitor services and promotional projects that will result in a greater appreciation, use and awareness among the general public of the Park and its visitor services.

Objective: By March 31, 2019, the C.A. Pippy Park Commission will have explored new partnerships to enhance the urban park visitor experience.

Indicator 1: Identified additional lands for community based gardening in partnership with community organizations.

Pippy Park Commission worked with the Friends of Pippy Park to create four additional gardening plots at the community gardens within the Park. The Pippy Park Commission has assessed land within the Park and has identified a

location for additional lands to potentially be developed for community based gardening.

Indicator 2: Continued to celebrate the 50th anniversary of Pippy Park with special events, including a July 1st Canada Day celebration and a commemorative tree planting ceremony, in cooperation with Friends of Pippy Park and other community and youth organizations.

The Pippy Park's 50th anniversary planning and logistics work for celebrations were completed. Celebratory events were held during the summer camping season of 2018 and particularly around the July 1st weekend. These events included a number of activities for children's such as; a bike rodeo through the park, bouncing castles, face painting, crafts, free barbeque and a 50th anniversary cake to celebrate this milestone.

A commemorative tree planting ceremony was undertaken in which number of sugar maple trees were planted in the Park at various locations to celebrate the milestone. A number of local cubs, beavers and scouts groups planted trees throughout the park.

2019-20 Objective/Indicator

Objective: By March 31, 2020, the C.A. Pippy Park Commission will have completed all planned visitor services and public awareness activities and projects.

Indicator 1: Acquired and installed additional signage to aid visitors accessing amenities in Pippy Park.

Indicator 2: Utilized social media platforms to promote Pippy Park activities and campground.

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.



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

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
FINANCIAL ASSETS		
Cash	\$ 980,839	\$ 1,141,131
Accounts receivable (Note 4)	74,851	52,266
Inventories held for resale	11,546	12,886
	1,067,236	1,206,283
LIABILITIES		
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
	422,185	666,544
Net financial assets	645,051	539,739
NON-FINANCIAL ASSETS		
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
	8,423,146	8,586,534
Accumulated surplus	\$ 9,068,197	\$ 9,126,273
Contractual obligations (Note 13)		
Contractual rights (Note 14)		

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

Signed on behalf of the Board:


Chairperson


Member

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

	2019 Budget	2019 Actual	2018 Actual
(Note 16)			
REVENUES (Note 10)			
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
EXPENSES (Note 10)			
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
Annual deficit before gain on disposal of tangible capital assets	(209,860)	(76,792)	(138,899)
Gain (loss) on disposal of tangible capital assets	-	18,716	(3,955)
Annual deficit	(209,860)	(58,076)	(142,854)
Accumulated surplus, beginning of year	9,126,273	9,126,273	9,269,127
Accumulated surplus, end of year	\$ 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)
Changes in tangible capital assets			
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
Changes in other non-financial assets			
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)
(Decrease) increase in net financial assets	(25,190)	105,312	(17,018)
Net financial assets, beginning of year	539,739	539,739	556,757
Net financial assets, end of year	\$ 514,549	\$ 645,051	\$ 539,739

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
	113,605	60,669
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
Cash (applied to) provided from operating transactions	(147,101)	41,052
Capital transactions		
Acquisition of tangible capital assets	(28,546)	(89,000)
Proceeds from disposal of tangible capital assets	30,000	12,746
Cash provided from (applied to) capital transactions	1,454	(76,254)
Financing transactions		
Repayment of Government loan	-	(250,000)
Increase in capital lease obligations	23,551	11,925
Repayment of capital lease obligations	(38,196)	(43,695)
Cash applied to financial transactions	(14,645)	(281,770)
Net decrease in cash	(160,292)	(316,972)
Cash, beginning of year	1,141,131	1,458,103
Cash, end of year	\$ 980,839	\$ 1,141,131

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

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

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

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

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 Provident¹⁰ from which pensions will be paid to employees when they retire. This pension plan is a multi-employer defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best six years of earnings for service on or after January 1, 2015, and, for service before January 1, 2015, the higher of the average of the frozen best 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

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
	75,546	52,266
Less: allowance for doubtful accounts	(695)	-
Net accounts receivable	\$ 74,851	\$ 52,266

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
	\$ 186,954	\$ 175,654

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 Provident¹⁰, including payment of pension benefits to employees to whom the *Act* applies.

The plan provides a pension upon retirement based on the age of its members at retirement, length of service and rates of pay. The maximum contribution rate for eligible employees was 11.85% (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
	\$ 13,608,904	\$ -	\$ 28,546	\$ (11,284)	\$ 13,626,166

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

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
Revenues										
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
Expenses										
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
Annual surplus (deficit) before gain on disposal of tangible capital assets	\$ (110,116)	\$(82,358)	\$346,156	\$360,535	\$(291,384)	\$(361,013)	\$ (21,448)	\$(56,063)	\$(76,792)	\$(138,899)
Gain (loss) on disposal of tangible capital assets	-	5,817	-	-	-	-	18,716	(9,772)	18,716	(3,955)
Annual surplus (deficit)	\$ (110,116)	\$(76,541)	\$346,156	\$360,535	\$(291,384)	\$(361,013)	\$ (2,732)	\$(65,835)	\$(58,076)	\$(142,854)

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

11. Golf course revenue

Course operations

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

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

12. Campground revenue

	2019 <u>Budget</u> (Note 16)	2019 <u>Actual</u>	2018 <u>Actual</u>
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.

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

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.

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