

C.A. Pippy Park Commission

Annual Report 2019-20

Message from the Chair

As Chair of the C.A. Pippy Park Commission, I am pleased to present the Annual Report for the fiscal year commencing April 1, 2019 and ending March 31, 2020 in accordance with the **Transparency and Accountability Act**. This report outlines the accomplishments of the Commission 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 preparation of the report and results reported throughout this document.

I would like to extend thanks to the Board for providing thoughtful insight and direction in making decisions while maintaining the core values on which Pippy Park was established. In addition, I would also like to thank our partners, park users and the Provincial Government for its continued support.

In 2019-20, thousands of people visited and worked in the Park while enjoying a number of outdoor activities. People come to the Park to walk, run, snowshoe, cross-country ski, bike, golf, camp, garden, read and relax. We appreciate hearing how the Park is a readily accessible place for people to recreate, study and connect with nature, which has positive outcomes on one's health and wellness.

The Commission was pleased to be able to enhance many services in the Park in 2019-20. Additionally, we continue to have excellent relationships with our partner organizations such as the Friends of Pippy Park, Memorial University and the City of St. John's to name a few. In consultation with our partners, the Commission is striving to provide a modern and sustainable park environment while meeting the needs of visitors and clients that avail of all the Park has to offer.

Sincerely,

A handwritten signature in cursive script that reads "Sean Kelly". The signature is written in black ink and is positioned below the word "Sincerely,".

Sean Kelly
Chairperson for the C.A. Pippy Park Commission

Table of Contents

Entity Overview	1
Organizational Structure	1
Staff and Budget	1
Highlights and Partnerships	3
Highlights	3
Partnerships	3
Report on Performance	4
Issue # 1: Capital Investment in Park Facilities and Equipment	4
Goal Statement	4
2019-20 Objective	5
Issue # 2: Improved Services	6
Goal Statement	7
2019-20 Objective	8
Opportunities and Challenges	9
Financial Information	10

Entity Overview

Organizational Structure

The C.A. Pippy Park Commission (the PPC) is a Crown corporation that reports through the Minister of Tourism, Culture, Arts and Recreation (formerly known as Tourism, Culture, Industry and Innovation). Members of the Board are responsible for the administration of the business affairs of the PPC. The Chairperson assumes responsibility as the official head of the PPC in accordance with Section 8 of the **Pippy Park Commission Act**.

Staff and Budget

The PPC employs seven full-time employees (four male/three female) for administration and maintenance. During peak operations, the PPC 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 male/one female) are employed full-time. The remaining employees are employed seasonally.



Commission Employees

7 full-time
(4 male, 3 female)
+
Up to 35 seasonal employees



Golf Operations Employees

2 full-time
(1 male, 1 female)
+
Up to 23 seasonal employees

The financial year of the PPC is April 1 - March 31. During fiscal 2019-20, the PPC operated primarily from revenue of \$2,249,788 whereas expenses during the same time period were \$2,327,449. The financial records of the PPC 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.

Physical Location

Located within the City of St. John's, the Park 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. The area of Pippy Park is approximately 1,375 hectares and is one of the largest urban parks in Canada. To see detailed maps of the park, please visit [the Pippy Park website](#).

Board of Directors

The PPC Board is comprised of eight members and reports to the House of Assembly through the Minister of Tourism, Culture, Arts and Recreation. Members of the Board are appointed in accordance with Section 4 of the **Pippy Park Commission Act**. Six of the eight members are appointed by the Lieutenant-Governor in Council through a merit-based process in accordance with the **Independent Appointments Commission Act**. Two of these must be from the Pippy Park Land Owners Association and the Pippy Family. The remaining two, which are not appointed by the Lieutenant-Governor in Council, include one person appointed from the City of St. John's and one from the Memorial University Board of Regents. As of March 31, 2020, the Board consisted of one vacancy and the following seven members:

1. Mr. Sean Kelly, Chairperson
2. Ms. Pam Pippy, Vice-Chairperson and Pippy Family Representative
3. Ms. Stephanie Curran
4. Mr. Rick Gill
5. Mr. Jerry English, Pippy Park Association of Landowners and Residents Representative
6. Ms. Ann Browne, Memorial University Representative
7. Ms. Sheilagh O'Leary, City of St. John's Representative

Highlights and Partnerships

Highlights

In February 2020, Bicycle NL held a Snow Bike Festival in Pippy Park that featured 72 participants and demonstrations on snow bike usage. Snow bikes have wider tires than traditional bikes that allow them to go through snow. Due to the multi-use functionality of the trail networks within the Park, these bikes are common on trails within Pippy Park, particularly during the winter season and provide an additional outdoor recreation option to visitors of the Park.

The Admirals Green Clubhouse continued to be in demand for public events. Specifically, there were 96 bookings for events and catering with 7,035 guests attending such events.

Notably, in February 2020, the facility was rented for a two-week period for the filming of a popular television series. This provided revenue, facilitated upgrades to the Clubhouse, and gave an excellent opportunity to market it.

Partnerships

In fiscal 2019-20, the PPC continued one of its longest and most valued partnerships with the Friends of Pippy Park (FoPP). This non-profit operates a community gardening program in the Park that encourages self-sustainability and growing your own food. This year, two new vegetable beds were created and improvements were made for the wheelchair accessibility.

Another key partnership during fiscal 2019-20 was with the City of St. Johns. Throughout the winter, the City operates the cross-country skiing and snowshoeing program from the North Bank Lodge. January to April 2020 period provided ideal snow conditions and had high number of visitors. Volunteers from the Avalon Nordic Ski Club, and a local sporting goods company, Outfitters Ltd, also support the program. A total of 3,308 people rented equipment and 1,233 people participated in group programs, which was higher than the previous year.

Report on Performance

Issue # 1: Capital Investment in Park Facilities and Equipment

The majority of the facilities and equipment in the Pippy Park Campground have existed since the Campground was established in 1977. The PPC has maintained and upgraded a number of the buildings and services in the Park to provide modern amenities and improve visitor experiences. As well as making facility improvements in the Park, other improvements have been made to trail routes and open spaces.

Balancing the increasing numbers of visitors to the Park while maintaining the facilities means that the infrastructure improvements to the park are prioritized and continually upgraded.

Goal Statement

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

Indicator 1: Construction feasibility, specifications, and cost estimations compiled.

During fiscal years 2017-20, PPC made significant capital investments in the park facilities and equipment. These upgrades and investments serve to increase the ability of the PPC to meet its mandate and provide access to enhanced recreational opportunities in an urban setting. For all the infrastructure projects, construction feasibility, specifications and cost estimates were collected and compiled by the PPC before construction began.

The list of the infrastructure projects undertaken by the PPC in 2017-20:

- 1) North Bank Lodge Parking lot was expanded and completed;

- 2) Campground (roofs repaired, ventilation improved in several comfort stations, and electricity provided to additional 23 campsites);
- 3) PPC headquarters (shingled the roof and masonry on the courtyard wall completed);
- 4) Storage building/community garden (roof replaced, new doorway entrance created).

Indicator 2: Construction project tendering completed (if required), implementation schedules determined, and construction activity commenced.

During 2017-20, construction project tendering was completed as required, implementation schedules were determined and construction activity commenced. For example, work was commenced to repair and restore the stonework and masonry of the Pippy Park Headquarters Courtyard and walkways and has been completed.

Indicator 3: Construction projects monitored and completed.

During 2017-20, PPC monitored and completed all the construction projects mentioned above in indicator 1. For example, a redesign was completed for expanded vehicular parking at the North Bank Lodge and the area was cleared of trees, brush and levelled to allow for additional vehicular parking. Additionally, new playground equipment was installed for the North Bank Lodge.

2019-20 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.

During 2019-20, an additional 23 campsites were upgraded from un-serviced to semi-serviced and each now have electrical hook ups. With this upgrade, the Park will offer an enhanced experience to more campers than before.

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

During 2019-20, PPC prepared the tender and the relevant specification documents needed for the tender regarding the construction of storage structure. It was released to local contractors for quotes.

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

During 2019-20, the PPC completed the restoration of the stonework at the Pippy Park Headquarters Courtyard, through the contractor hired. It is a step towards making the facility more stable and secure as the stonework had turned old and was a safety hazard. PPC will continue to maintain the facility as required.

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

During 2019-20, the PPC constructed a concrete pad/foundation for the fire pit to be used for park users during any season so as to give them enhanced park experience. However, due to staffing vacancies in park maintenance, the communal fire pit and seating area was not constructed.

Issue # 2: Improved Services

The PPC seeks to continuously improve services and offer an enhanced experience for users of the facilities. To that end, the PPC has put considerable time, effort and resources into upgrading visitor services and promotional projects to increase public appreciation and knowledge about Pippy Park. As one of the largest urban parks in the country, the PPC seeks to offer an enriching experience to its visitors.

Goal Statement

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.

Indicator 1: Signage improvements reviewed and implemented.

During 2017-20, additional signage was added to the campground of the Park. Signage has also been installed in other locations of the Park as part of its Emergency Preparedness Plan. All signage is continually reviewed and improvements or replacements are made as signs deteriorate. In order to have better visibility of the installed signage, PPC has also installed energy-efficient LED lighting to guide park visitors during times with low natural light.

Indicator 2: Social media tools utilized to share information about the Park.

During 2017-20, social media tools were increasingly utilized to share information about the Park. [Pippy Park's Facebook page](#) currently has more than 1,200 'likes' and has been rated 4.6 out of 5. The Park's Facebook page was utilized to share historical information on a weekly basis with "Throwback Thursday's". The Facebook posts also encouraged users to share their memories of the park. The Facebook page was used to keep park users up to date on activities and events occurring throughout the Park.

Indicator 3: Information about the Park created and shared to support recreational users of the Park.

During 2017-20, information about the Park was created and shared to support recreational users of the Park. [Pippy Park's website](#) has been maintained and updated regularly to share relevant information with Park users. Information and maps of trails and elevations have regularly been made available on Pippy Park's website. Overall, Park users now have more information available to them than even before.

Indicator 4: New partnerships explored and existing partnerships strengthened.

During 2017-20, the PPC explored new partnerships and worked to strengthen existing ones. This included working with the FoPP to create four additional gardening plots at the community gardens within the Park. This partnership provides a community garden space where families learn and grow together.

2019-20 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.

In 2019-20, the PPC acquired and installed additional signage in the Campground to allow campers and visitors to more easily locate services and other amenities within the Park.

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

In 2019-20, Pippy Park used social media platforms such as Facebook, Twitter and its personal webpage to promote and share activities in the Park and campground. Some examples include the annual Snow bike event in the Three Pond Barrens area, the swim series in Long Pond and the Maple Tapping Festival and associated workshops. As our presence on social media increases, we expect more visitation and better communication with the public.

Opportunities and Challenges

The COVID-19 has had a significant impact on the recreation sector. It has resulted in a halt of many activities and changed recreational activities for individuals. While some recreation and sport activities have resumed with public health measures in place, there is uncertainty for organizers and participants, given there is still so much unknown. COVID-19 has affected activities such as summer day camps; recreational sport initiatives; and fitness activities. Facilities and programs are facing increased expenditures and reduced revenues. PPC will work with stakeholders on the challenges to assist individuals in resuming recreational activities like during normal times.

One key opportunity for PPC relates to the Three Pond Barrens area of the park. Within this area, a number of improvements have been made to the trails by volunteer groups. As a result of these efforts, this area is one of the finalists under consideration for hosting the mountain bike racing competition during the upcoming 2025 Canada Summer Games.

There is an opportunity to maximize the usage of park. PPC is making facility improvements in the Park as well as other improvements are being made to the trail routes and open spaces to accommodate growing numbers of visitors. Balancing the increasing numbers of visitors to the Park while maintaining the facilities has meant infrastructure improvements will have to be prioritized and continually upgraded. The demand for open spaces and outdoor recreational activities has increased in the park. However, this must be balanced with the values the park was established upon, such as its natural and cultural heritage.

Financial Information

**C.A. PIPPY PARK COMMISSION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020**

Office of the Auditor General

Management's Report

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

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

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

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

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

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

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



Mr. Ric Mercer
Executive Director



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated financial statements of the C.A. Pippy Park Commission and its subsidiary (the Group), which comprise the consolidated statement of financial position as at March 31, 2020, 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, 2020, and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

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

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

Independent Auditor's Report (cont.)

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

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

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

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

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

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

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

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

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

Independent Auditor's Report (cont.)

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

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



SANDRA RUSSELL, CPA, CA
Auditor General (A)

September 24, 2020
St. John's, Newfoundland and Labrador

ANNUAL REPORT 2019-20

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

	2020	2019
FINANCIAL ASSETS		
Cash	\$ 1,024,162	\$ 980,839
Accounts receivable (Note 3)	12,969	74,851
Inventories held for resale	10,263	11,546
	<u>1,047,394</u>	<u>1,067,236</u>
LIABILITIES		
Accounts payable and accrued liabilities	129,088	107,604
Deferred revenue (Note 4)	156,511	186,954
Obligations under capital leases (Note 5)	25,708	68,496
Employee future benefits (Note 6)	59,067	59,131
	<u>370,374</u>	<u>422,185</u>
Net financial assets	<u>677,020</u>	<u>645,051</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	23,217	20,606
Inventories held for use	17,415	17,852
Tangible capital assets (Note 7)	8,272,884	8,384,688
	<u>8,313,516</u>	<u>8,423,146</u>
Accumulated surplus	<u>\$ 8,990,536</u>	<u>\$ 9,068,197</u>
Contractual obligations (Note 12)		
Contractual rights (Note 13)		

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

Signed on behalf of the Board: Sean Kelly Chairperson B. Zepher Member

Office of the Auditor General

ANNUAL REPORT 2019-20

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

	2020 Budget	2020 Actual	2019 Actual
	(Note 15)		
REVENUES (Note 9)			
Province of Newfoundland and Labrador			
Operating grant	\$ 261,000	\$ 261,000	\$ 459,500
Golf course (Note 10)	886,860	786,553	790,478
Campground (Note 11)	615,000	618,305	600,449
Services	304,000	307,986	307,612
Rental	114,000	119,311	120,436
Government of Canada	-	61,711	-
Miscellaneous	50,833	58,079	57,058
Interest	5,000	29,244	18,310
Advertising	-	7,599	7,599
	<u>2,236,693</u>	<u>2,249,788</u>	<u>2,361,442</u>
EXPENSES (Note 9)			
Golf course	866,165	831,492	913,396
Campground	280,950	292,199	254,293
General park	588,925	554,525	598,996
Administration and other	637,571	649,233	671,549
	<u>2,373,611</u>	<u>2,327,449</u>	<u>2,438,234</u>
Annual deficit before gain on disposal of tangible capital assets	(136,918)	(77,661)	(76,792)
Gain on disposal of tangible capital assets	-	-	18,716
Annual deficit	(136,918)	(77,661)	(58,076)
Accumulated surplus, beginning of year	9,068,197	9,068,197	9,126,273
Accumulated surplus, end of year	\$ 8,931,279	\$ 8,990,536	\$ 9,068,197

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

Office of the Auditor General

ANNUAL REPORT 2019-20

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

	2020 Budget	2020 Actual	2019 Actual
(Note 15)			
Annual deficit	\$ (136,918)	\$ (77,661)	\$ (58,076)
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(43,341)	(28,546)
Net book value of tangible capital asset disposals	-	-	11,284
Amortization of tangible capital assets	161,491	155,145	179,702
	161,491	111,804	162,440
Changes in other non-financial assets			
Use of prepaid expenses	-	20,606	21,716
Acquisition of prepaid expenses	-	(23,217)	(20,606)
Net use (acquisition) of inventories held for use	-	437	(162)
	-	(2,174)	948
Increase in net financial assets	24,573	31,969	105,312
Net financial assets, beginning of year	645,051	645,051	539,739
Net financial assets, end of year	\$ 669,624	\$ 677,020	\$ 645,051

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

Office of the Auditor General

ANNUAL REPORT 2019-20

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

	2020	2019
Cash flows from operating activities		
Annual deficit	\$ (77,661)	\$ (58,076)
Adjustment for non-cash items		
Amortization	155,145	179,702
Bad debt expense	-	10,695
Gain on disposal of tangible capital assets	-	(18,716)
	77,484	113,605
Changes in non-cash working capital		
Accounts receivable	61,882	(33,280)
Inventories held for resale	1,283	1,340
Prepaid expenses	(2,611)	1,110
Inventories held for use	437	(162)
Accounts payable and accrued liabilities	21,484	(22,586)
Deferred revenue	(30,443)	11,300
Employee future benefits	(64)	(218,428)
Cash provided from (applied to) operating transactions	129,452	(147,101)
Capital transactions		
Acquisition of tangible capital assets	(43,341)	(28,546)
Proceeds from disposal of tangible capital assets	-	30,000
Cash (applied to) provided from capital transactions	(43,341)	1,454
Financing transactions		
Increase in capital lease obligations	-	23,551
Repayment of capital lease obligations	(42,788)	(38,196)
Cash applied to financial transactions	(42,788)	(14,645)
Net increase (decrease) in cash	43,323	(160,292)
Cash, beginning of year	980,839	1,141,131
Cash, end of year	\$ 1,024,162	\$ 980,839

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

Office of the Auditor General

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020

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, 2020

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 Commission use, cost is allocated between land and buildings.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020

2. Summary of significant accounting policies (cont.)

(d) Tangible capital assets (cont.)

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

(e) Inventories held for resale

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

(f) Inventories held for use

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

(g) Prepaid expenses

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

(h) Employee future benefits

- (i) The employees of the Commission are subject to the Public Service Pensions Act, 2019. Employee contributions are matched by the Commission and remitted to Provident¹⁰ from which pensions will be paid to employees when they retire. This pension plan is a multi-employer defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best six years of earnings for service on or after January 1, 2015, and, for service before January 1, 2015, the higher of the average of the frozen best 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, 2020

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, 2020

3. Accounts receivable

	<u>2020</u>	<u>2019</u>
Trade	\$ 10,573	\$ 72,242
Harmonized sales tax	3,091	3,304
	<u>13,664</u>	<u>75,546</u>
Less: allowance for doubtful accounts	(695)	(695)
Net accounts receivable	<u>\$ 12,969</u>	<u>\$ 74,851</u>

4. Deferred revenue

	<u>2020</u>	<u>2019</u>
Golf course	\$ 93,577	\$ 111,459
Clubhouse	44,447	44,600
Rental	14,013	5,083
Campground	4,049	18,437
Other	425	7,375
	<u>\$ 156,511</u>	<u>\$ 186,954</u>

Golf course deferred revenue relates to golf packages and gift certificates sold during the fiscal year that relate to the 2020 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 2020 camping season. Other deferred revenue relates to property lease payments received that relates to the 2020-21 fiscal year.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2020

5. Obligations under capital leases

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

	<u>2020</u>	<u>2019</u>
Obligations under capital leases	\$ 25,708	\$ 68,496

Future minimum lease payments under capital leases are:

2021	20,212
2022	<u>5,679</u>
	25,891
Less: interest portion of payments	<u>(183)</u>
	<u>\$ 25,708</u>

The capital leases are secured by equipment having a net book value of \$29,998.

6. Employee future benefits

	<u>2020</u>	<u>2019</u>
Severance benefits	\$ 14,658	\$ 15,528
Provision for accumulating, non-vesting, sick leave	<u>44,409</u>	<u>43,603</u>
	<u>\$ 59,067</u>	<u>\$ 59,131</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, 2020 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, 2020

6. Employee future benefits (cont.)

Pension contributions

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

The plan provides a pension upon retirement based on the age of its members at retirement, length of service and rates of pay. The maximum contribution rate for eligible employees was 11.85% (2019 - 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, 2020 was \$70,164 (2019 - \$74,263).

7. Tangible capital assets

Original cost

	Balance March 31, 2019	Capital assets no longer under lease	Additions	Disposals	Balance March 31, 2020
Park					
Land	\$ 5,418,566	\$ -	\$ -	\$ -	\$ 5,418,566
Furniture and equipment	368,821	-	19,327	-	388,148
Vehicles	95,482	-	-	-	95,482
Equipment under capital leases	23,551	-	-	-	23,551
Buildings	1,221,365	-	680	-	1,222,045
Park improvements	1,828,322	-	18,865	-	1,847,187
Golf course					
Land	1,809,696	-	-	-	1,809,696
Golf course improvements	1,346,311	-	-	-	1,346,311
Buildings	668,591	-	-	-	668,591
Equipment under capital leases	146,971	(97,252)	-	-	49,719
Furniture and equipment	698,490	97,252	4,469	-	800,211
	\$13,626,166	\$ -	\$ 43,341	-	\$13,669,507

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2020

7. Tangible capital assets (cont.)

Accumulated amortization

	Balance March 31, 2019	Transfer of accumulated amortization of assets no longer under lease	Amortization	Accumulated amortization on disposals	Balance March 31, 2020	Net book value March 31, 2020	Net book value March 31, 2019
Park							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,418,566	\$ 5,418,566
Furniture and equipment	340,043	-	10,879	-	350,922	37,226	28,778
Vehicles	59,126	-	10,504	-	69,630	25,852	36,356
Equipment under capital leases	2,444	-	7,094	-	9,538	14,013	21,107
Buildings	1,117,170	-	10,727	-	1,127,897	94,148	104,195
Park improvements	1,463,761	-	36,443	-	1,500,204	346,983	364,561
Golf course							
Land	-	-	-	-	-	1,809,696	1,809,696
Golf course improvements	1,032,322	-	30,959	-	1,063,281	283,030	313,989
Buildings	474,518	-	19,901	-	494,419	174,172	194,073
Equipment under capital leases	95,780	(77,404)	15,358	-	33,734	15,985	51,191
Furniture and equipment	656,314	77,404	13,280	-	746,998	53,213	42,176
	\$ 5,241,478	\$ -	\$ 155,145	\$ -	\$ 5,396,623	\$ 8,272,884	\$ 8,384,688

Office of the Auditor General

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020

7. Tangible capital assets (cont.)

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

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

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

(b) Title to Commission property

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

8. Related party transactions

- (a) During the year, the Commission received an operating grant of \$261,000 (2019 - \$459,500) from the Province. Included in the operating grant is \$0 (2019 - \$198,500) related to the settlement of employee severance benefits.
- (b) Services and rental revenue include revenues from the Province in the amount of \$288,126 (2019 - \$259,355) as a result of ongoing contracts.

ANNUAL REPORT 2019-20

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020

9. Segmented information

The Commission reports its revenue and expenses by program area.

	Golf course		Campground		General park		Administration		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues										
Province of Newfoundland and Labrador operating grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,000	\$ 459,500	\$ 261,000	\$ 459,500
Golf course (Note 10)	786,553	790,478	-	-	-	-	-	-	786,553	790,478
Campground (Note 11)	-	-	618,305	600,449	-	-	-	-	618,305	600,449
Services	-	-	-	-	307,986	307,612	-	-	307,986	307,612
Rental	-	-	-	-	-	-	119,311	120,436	119,311	120,436
Government of Canada	-	-	61,711	-	-	-	-	-	61,711	-
Miscellaneous	233	197	-	-	-	-	57,846	56,861	58,079	57,058
Interest	3,703	5,006	-	-	-	-	25,541	13,304	29,244	18,310
Advertising	7,599	7,599	-	-	-	-	-	-	7,599	7,599
	798,088	803,280	680,016	600,449	307,986	307,612	463,698	650,101	2,249,788	2,361,442
Expenses										
Advertising and promotion	3,500	4,855	-	-	-	-	142	233	3,642	5,088
Amortization	79,498	96,485	-	-	-	-	75,647	83,217	155,145	179,702
Bank charges	19,600	23,762	-	-	-	-	17,475	19,456	37,075	43,218
Bad debt expense	-	695	-	-	-	-	-	10,000	-	10,695
Building maintenance	33,466	38,172	20,268	11,222	5,593	3,280	33,823	15,600	93,150	68,274
Course maintenance	59,096	46,521	-	-	-	-	-	-	59,096	46,521
Equipment maintenance	38,420	31,518	-	-	32,749	25,820	571	-	71,740	57,338
Fuel	18,658	37,073	-	-	17,367	20,333	-	-	36,025	57,406
Heat, light and telephone	49,237	48,869	40,819	39,955	14,409	15,612	25,297	27,441	129,762	131,877
Honoraria	-	-	-	-	-	-	855	495	855	495
Insurance	29,681	29,033	-	-	-	-	42,590	39,311	72,271	68,344
Interest on capital lease obligations	1,720	3,685	-	-	-	-	-	-	1,720	3,685
Miscellaneous	2,293	3,174	474	329	61,365	57,047	972	1,773	65,104	62,323
Office	6,853	7,040	384	310	-	-	12,344	10,848	19,581	18,198
Professional fees	3,210	3,218	481	842	-	-	6,095	2,025	9,786	6,085
Salaries and employee benefits	481,718	534,317	218,969	191,558	401,367	461,584	429,254	456,824	1,531,308	1,644,283
Supplies	4,542	4,979	10,804	9,982	19,955	14,531	3,883	4,183	39,184	33,675
Training	-	-	-	95	1,720	789	285	143	2,005	1,027
	831,492	913,396	292,199	254,293	554,525	598,996	649,233	671,549	2,327,449	2,438,234
Annual surplus (deficit) before gain on disposal of tangible capital assets	\$(33,404)	\$(110,116)	\$387,817	\$346,156	\$(246,539)	\$(291,384)	\$(185,535)	\$(21,448)	\$ (77,661)	\$ (76,792)
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	18,716	-	18,716
Annual surplus (deficit)	\$(33,404)	\$(110,116)	\$387,817	\$346,156	\$(246,539)	\$(291,384)	\$(185,535)	\$(2,732)	\$ (77,661)	\$ (58,076)

Office of the Auditor General

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2020

10. Golf course revenue

Course operations

	<u>2020</u> <u>Budget</u> (Note 15)	<u>2020</u> <u>Actual</u>	2019 <u>Actual</u>
Green fees	\$ 396,665	\$ 450,985	\$ 484,318
Rentals	276,500	119,757	129,641
	<u>673,165</u>	<u>570,742</u>	613,959
Proshop sales	11,500	8,173	9,433
Less: cost of goods sold	(4,100)	(3,567)	(3,789)
	<u>7,400</u>	<u>4,606</u>	5,644
Course operations	<u>680,565</u>	<u>575,348</u>	619,603
Clubhouse operations			
Salon rentals	50,495	56,391	42,885
Catering commissions	47,000	44,462	39,921
	<u>97,495</u>	<u>100,853</u>	82,806
Salon sales	166,000	168,239	139,933
Less: cost of goods sold	(57,200)	(57,887)	(51,864)
	<u>108,800</u>	<u>110,352</u>	88,069
Clubhouse operations	<u>206,295</u>	<u>211,205</u>	170,875
	<u>\$ 886,860</u>	<u>\$ 786,553</u>	\$ 790,478

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2020

11. Campground revenue

	2020 Budget (Note 15)	2020 Actual	2019 Actual
Registration fees	\$ 615,000	\$ 592,898	\$ 577,485
Sales	-	46,246	45,803
Less: cost of goods sold	-	(20,839)	(22,839)
	-	25,407	22,964
	\$ 615,000	\$ 618,305	\$ 600,449

12. 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:

2021	\$ 54,000
2022	<u>54,000</u>
	<u>\$108,000</u>

13. 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:

2021	\$ 94,850
2022	88,725
2023	40,350
2024	<u>23,025</u>
	<u>\$246,950</u>

14. Financial risk management

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020

14. 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 3.

Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its financial liabilities and contractual obligations. The Commission's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities, its obligations under capital leases as disclosed in Note 5, and its contractual obligations as disclosed in Note 12. 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, 2020.

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.

15. Budgeted figures

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

16. Non-financial assets

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020

17. Impact of the COVID-19 pandemic on results and operations

The COVID-19 pandemic declared March 11, 2020 has resulted in an economic slowdown worldwide. The financial impact to the Commission in the 2020 fiscal year was minimal, but due to the unpredictable duration of restrictions placed on operations, it is difficult to ascertain the future impact on the financial statements and operations.

