

Pippy Park Commission

Annual Report 2017-18



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, 2017 and ending March 31, 2018 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. This year is the 50th anniversary of the establishment of Pippy Park and the continued success of Pippy Park is a credit to their efforts and passion. We also thank the Provincial Government for its continued financial and human resource support.

In 2017-18, 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 2017-18, such as installing new playground equipment and increasing vehicle parking in the area around the North Bank Lodge. 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.



BERNIE HALLORAN
CHAIRMAN FOR THE C.A. PIPPY PARK COMMISSION

OVERVIEW

Board of Directors

The Commission is comprised of an eight member Board, which currently reports to the House of Assembly through the Minister of Tourism, Culture, Innovation, and Industry. Members of the C.A. Pippy Park Commission Board are appointed in accordance with Section 4 of the **Pippy Park Commission Act**. The following individuals served as members of the Commission:

Chairperson:

Mr. Bernie Halloran

Vice-Chairperson:

Currently vacant

Board Members:

Mr. Robert Constantine

Ms. Ann Browne

Ms. Sheilagh O’Leary, Deputy Mayor

Ms. Sharon Pippy

Mr. Grant Hiscock

Mr. Greg Healy

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 Section 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 30 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, 2018, 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 2017-18, the Commission operated primarily from revenue totaling \$2,326,200. The Commission's expenses during the same time period were \$2,465,100.

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.

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.
- *Make Midterm Matter*, a one-day community engaged learning day, where Memorial University students and some staff volunteer give a day to do community based projects. The group did projects within Pippy Park and learned about the history and ecology of the park.

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.

Pippy Park also has active partnerships with the City of St. John's, the 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 2017 camping season, the Pippy Park campground booked 15,220 camping nights, approximately 550 more camping nights than the previous year. As part of the continuing effort by the Commission to enhance its popular campground, routine maintenance and improvements efforts were completed during the 2017-18 fiscal year. These included; water/ sewer upgrades, electrical utility repairs, installation of energy efficient LED lighting, 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 2017-18. Both courses hosted various tournaments and corporate golfing events as well as accommodating league play. For the 2017-18 season there were 64 separate bookings for events and catering at the Admirals Green Clubhouse with a total of 5,865 guests attending these events.

North Bank Lodge Operations

The North Bank Lodge continued to offer bookings for meetings and social events during 2017-18. A total of 130 separate events were booked at the Lodge from April to December 2017. The rental of the facility was similar to previous years (147 events in 2015; 160 events in 2016). From January to March 2018 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 2017-18, 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 2018 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 1,096 people rented equipment and 1,027 people participated in group programs. The numbers of users were down significantly from the previous year as snow conditions were generally not conducive to snowshoeing or cross-country skiing for most of the winter. Use of the Park for winter recreation is difficult to measure as visitors with their own equipment have access for no charge.

In order to enhance the cross-country ski program that the Avalon Nordic Ski Club operates within the Pippy Park Campground, in December 2017 they acquired snow making equipment to extend the ski season and provide better conditions. Unfortunately, winter conditions were not ideal for snowmaking but they did manage to test all the equipment and make enough snow to allow for qualification races for skiers from the St. John's area to participate in the Newfoundland and Labrador Winter Games.

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, 2018, the C.A. Pippy Park Commission will have completed improvements in at least two to three infrastructure projects.

Indicator 1: The area around the North Bank Lodge redesigned for additional parking.
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.
Indicator 2: Storage structure loss to fire rebuilt
In the October 2017 an analysis was undertaken to determine the best location for the replacement of the storage garage. A site has been identified that will utilize an existing access road and has the capacity to connect with existing services such as; electricity, water and sewer. However, the storage structure has not yet been constructed. Construction will start in the fiscal year 2018-2019.
Indicator 3: New playground equipment for the North Bank Lodge installed.

The new playground equipment was installed in May, 2017 and is currently being used by visitors to Pippy Park.

2018-19 Objective/Indicators

Objective: By March 31, 2019, the C.A. Pippy Park Commission will have completed improvements in 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.

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

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, 2018, the C.A. Pippy Park Commission will have initiated several projects aimed at increasing visitor service capabilities and general awareness of Pippy Park.

Indicator 1: The Park's 50th anniversary is acknowledged and celebrated.
The Pippy Park's 50 th anniversary planning and logistics work for celebrations have already commenced. Celebratory events will commence during the summer camping season of 2018.
Indicator 2: The Park's Facebook page utilized to share history of the Park and information on the Park's commercial operations.
Pippy Park Commission posted park's historical information on a weekly basis with "throwback" Thursdays. Old photographs with their story and background were shared on Facebook and users were asked to provide their memories and recollections of the areas. Historical information acknowledging the creation of Pippy park is continued to be shared on the site.
Indicator 3: The Park's website maintained and updated, as required
Pippy Park website has been maintained and updated on a daily basis or as new information on activities or partner activities have occurred.
Indicator 4: Information about Three Pond Barrens trails and assets shared
Information and maps of trails and elevations have been made available on the Pippy Park website on a regular basis.

2018-19 Objectives/Indicators

Objective 2018-2019: 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.

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

C.A. PIPPY PARK COMMISSION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2018

Management's Report

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

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

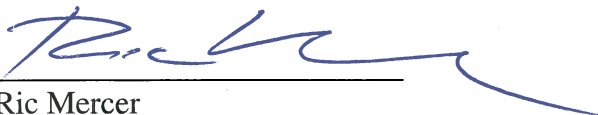
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

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

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

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

On behalf of C.A. Pippy Park Commission



Mr. Ric Mercer

Executive Director



**AUDITOR
GENERAL**
of Newfoundland and Labrador

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the C.A. Pippy Park Commission which comprise the consolidated statement of financial position as at March 31, 2018, the consolidated statements of operations, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Independent Auditor's Report (cont.)

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

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the C.A. Pippy Park Commission as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



JULIA MULLALEY, CPA, CA
Auditor General

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

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

2018

2017

FINANCIAL ASSETS

Cash	\$ 1,141,131	\$ 1,458,103
Accounts receivable (Note 4)	52,266	17,091
Inventories held for resale	12,886	10,791
	1,206,283	1,485,985

LIABILITIES

Accounts payable and accrued liabilities	130,190	104,006
Deferred revenue (Note 5)	175,654	206,559
Obligations under capital leases (Note 6)	83,141	114,911
Employee future benefits (Note 7)	277,559	253,752
Advance from Province of Newfoundland and Labrador (Note 8)	-	250,000
	666,544	929,228

Net financial assets **539,739** **556,757**

NON-FINANCIAL ASSETS

Prepaid expenses	21,716	22,767
Inventories held for use	17,690	15,716
Tangible capital assets (Note 9)	8,547,128	8,673,887
	8,586,534	8,712,370

Accumulated surplus **\$ 9,126,273** **\$ 9,269,127**

Contractual obligations (Note 14)

Contractual rights (Note 15)

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

Signed on behalf of the Board:


Chairperson


Member

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

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

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

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

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

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

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

2018

2017

Cash flows from operating activities

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

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

1. Nature of operations

The C.A. Pippy Park Commission (the Commission) was incorporated in 1968 and operates under the authority of the *Pippy Park Commission Act*. The purpose of the Commission is to provide a park-like setting to house the headquarters of the Provincial Government, as well as various government, cultural, educational facilities and Memorial University of Newfoundland. Its affairs are managed by a Board of Commissioners, the majority of whom are appointed by the Lieutenant-Governor in Council.

The C.A. Pippy Park Golf Course Limited (the Golf Course) was incorporated on January 6, 2006, under the *Corporations Act*. It is a wholly owned subsidiary of the Commission, incorporated in accordance with Section 25(b)(i) of the *Pippy Park Commission Act*. Its purpose is to manage the Pippy Park Golf Course.

The Commission is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

2. Summary of significant accounting policies

(a) Basis of accounting

The Commission is classified as an Other Government Organization as defined by Canadian Public Sector Accounting Standards (CPSAS). These consolidated financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Public Sector Accounting Board (PSAB). The Commission does not prepare a statement of remeasurement gains and losses as the Commission does not enter into relevant transactions or circumstances that are addressed by that statement.

The consolidated financial statements include the assets, liabilities and accumulated surplus of the C.A. Pippy Park Commission and its subsidiary corporation, C.A. Pippy Park Golf Course Limited. Inter-entity transactions and balances have been eliminated in these consolidated financial statements. Outlined below are the significant accounting policies followed.

(b) Financial instruments

The Commission's financial instruments recognized in the consolidated statement of financial position consist of cash, accounts receivable, accounts payable and accrued liabilities, obligations under capital leases, and the advance from the Province of Newfoundland and Labrador. The Commission generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

2. Summary of significant accounting policies (cont.)

(b) Financial instruments (cont.)

The Commission subsequently measures all of its financial assets and financial liabilities at cost or amortized cost. Of the financial assets, cash is measured at cost while accounts receivable is measured at amortized cost. Financial liabilities measured at cost include accounts payable and accrued liabilities and the advance from the Province of Newfoundland and Labrador. Obligations under capital leases are measured at amortized cost.

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, obligations under capital leases, and the advance from the Province of Newfoundland and Labrador approximate current fair value due to their nature and/or the short-term maturity associated with these instruments.

Interest attributable to financial instruments is reported on the consolidated statement of operations.

(c) Cash

Cash includes cash in bank.

(d) Tangible capital assets

All tangible capital assets are recorded at cost at the time of acquisition, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the interest rate implicit in the lease.

The cost, less residual value, of the tangible capital assets, is amortized using the declining balance method over the expected useful lives as follows:

Furniture and equipment	30%
Vehicles	30%
Equipment under capital leases	30%
Buildings	10%
Park improvements	10%
Golf course improvements	10%

The cost of building acquisitions is included with land where the primary reason for purchasing the properties is to acquire the land. Where the Commission intends to maintain the buildings for Park use, cost is allocated between land and buildings.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

2. Summary of significant accounting policies (cont.)

(d) Tangible capital assets (cont.)

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

(e) Inventories held for resale

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

(f) Inventories held for use

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

(g) Prepaid expenses

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

(h) Employee future benefits

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

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

2. Summary of significant accounting policies (cont.)

(h) Employee future benefits (cont.)

- (ii) The employees of the Commission are subject to the *Public Service Pensions Act, 1991*. Employee contributions are matched by the Commission and remitted to 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.

- (iii) The Commission provides accumulating, non-vesting sick leave benefits to its employees. The Commission has made a provision in the accounts for the payment of accumulating non-vesting sick leave benefits for employees which is based upon the Commission's best estimate of the probability of the employees utilizing the benefits and current salary levels. The accumulating non-vesting sick leave benefits cease upon termination of employment with the Commission.

(i) Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized as revenue in the fiscal year the fee is earned or the service is performed.

The Commission recognizes government transfers as revenues when the transfer is authorized and any eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulations related to the liabilities are settled. Government transfers consist of an operating grant from the Province of Newfoundland and Labrador.

(j) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is recorded as an expense in that year.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

2. Summary of significant accounting policies (cont.)

(k) Measurement uncertainty

The preparation of consolidated financial statements in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the expected future life of tangible capital assets and estimated employee future benefits.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

3. Changes in accounting policies

(a) New accounting standards

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

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

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

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

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

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

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

3. Changes in accounting policies (cont.)

(b) Accounting pronouncement

The PSAB has issued *PS 3430 Restructuring Transactions* which is effective April 1, 2018. This is a new standard on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities. The standard has not been applied in these consolidated financial statements.

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

4. Accounts receivable

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

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

5. Deferred revenue

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

Golf course deferred revenue relates to golf packages and gift certificates sold during the fiscal year that relate to the 2018 golf season. Clubhouse deferred revenue relates to deposits received on salon rentals for future periods. Rental deferred revenue relates to deposits received on reservations at the Northbank Lodge and the Courtyard for future periods. Campground deferred revenue relates to deposits received on reservations for the 2018 camping season. Other deferred revenue relates to property lease payments received that relates to the 2018-19 fiscal year.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

6. Obligations under capital leases

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

	<u>2018</u>	<u>2017</u>
Obligations under capital leases	\$ 83,141	\$ 114,911

Future minimum lease payments under capital leases are:

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

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

7. Employee future benefits

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

Pension contributions

The employees of the Commission represented by the NAPE and certain management employees are subject to the *Public Service Pensions Act, 1991* (the *Act*). The 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% (2017 - 11.85%). The Commission contributes an amount equal to the employee contributions to the plan. Total pension expense for the Commission for the year ended March 31, 2018, was \$71,608 (2017 - \$77,383).

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

8. Advance from Province of Newfoundland and Labrador

On March 30, 2001, the Commission received a repayable advance in the amount of \$250,000 from the Province of Newfoundland and Labrador. This balance was paid off in full during the current year.

9. Tangible capital assets

Original cost

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

9. Tangible capital assets (cont.)

Accumulated amortization

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

9. Tangible capital assets (cont.)

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

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

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

(b) Title to Commission property

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

10. Related party transactions

- (a) During the year, the Commission received an operating grant of \$382,800 (2017 - \$464,300) from the Province.
- (b) Services and rental revenue include revenues from the Province in the amount of \$241,593 (2017 - \$254,787) as a result of ongoing contracts.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

11. Segmented information

The Commission reports its revenue and expenses by program area.

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

12. Golf course revenue

Course operations

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

13. Campground revenue

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

14. Contractual obligations

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

2019	\$ 54,311
2020	54,000
2021	54,000
2022	54,000
	<u>\$ 216,311</u>

15. Contractual Rights

The Commission has entered into agreements for the lease of property. Under the terms of the lease agreements, the Commission will receive rental income as follows:

2019	\$ 81,500
2020	59,000
2021	59,000
2022	59,000
	<u>\$ 258,500</u>

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

16. Financial risk management

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission's main credit risk relates to cash and accounts receivable. The Commission's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Commission is not exposed to significant credit risk with its cash because this financial instrument is held with a Chartered Bank. Also, it is not exposed to significant credit risk related to the harmonized sales tax receivable due to its nature. The Commission is exposed to credit risk related to its trade accounts receivable. Any estimated impairment of accounts receivable has been provided for through an allowance as disclosed in Note 4.

Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its financial liabilities and contractual obligations. The Commission's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities, its obligations under capital leases as disclosed in Note 6, the advance from the Province of Newfoundland and Labrador, and its contractual obligations as disclosed in Note 14. The Commission manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its financial liabilities. The Golf Course has an authorized line of credit totaling \$5,000, which is unused as at March 31, 2018.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Commission is not exposed to significant foreign exchange or other price risk. The Commission is not exposed to interest rate risk on the obligations under capital leases as the interest rates are fixed to maturity. In addition, the Commission was not exposed to interest rate risk related to the advance from the Province of Newfoundland and Labrador as this financial instrument is non-interest bearing.

17. Budgeted figures

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

18. Non-financial assets

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

19. Subsequent event

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

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