

**C.A. PIPPY PARK COMMISSION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023**

Pippy Park Commission

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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 periodically and external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Corporation 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

• CAMPGROUND • NORTHBANK LODGE • PLAYGROUNDS

• GOLF COURSE & BANQUET FACILITIES • HIKING & SKIING TRAILS



INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated financial statements of C.A. Pippy Park Commission and its subsidiary (the Group), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the consolidated 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, 2023, 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 scepticism 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.



DENISE HANRAHAN, CPA, CMA, MBA, ICD.D
Auditor General

September 25, 2023
St. John's, Newfoundland and Labrador

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

2023	2022
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(Note 18)

FINANCIAL ASSETS

Cash	\$ 1,151,479	\$ 902,713
Accounts receivable (Note 3)	61,018	62,353
<u>Inventories held for resale</u>	<u>13,095</u>	<u>14,041</u>
	1,225,592	979,107

LIABILITIES

Accounts payable and accrued liabilities	180,430	166,479
Deferred revenue (Note 4)	382,110	272,647
Asset retirement obligation (Notes 5 & 18)	472,503	472,503
Long term debt (Note 6)	64,659	91,490
<u>Employee future benefits (Note 7)</u>	<u>50,226</u>	<u>48,901</u>
	1,149,928	1,052,020
Net financial assets (debt)	75,664	(72,913)

NON-FINANCIAL ASSETS

Prepaid expenses	2,952	29,039
Inventories held for use	50,985	24,183
<u>Tangible capital assets (Note 8)</u>	<u>8,363,098</u>	<u>8,352,683</u>
	8,417,035	8,405,905
Accumulated surplus	\$ 8,492,699	\$ 8,332,992

Contractual obligations (Note 13)

Contractual rights (Note 14)

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

Signed on behalf of the Board:



Chairperson



Member

**C.A. PIPPY PARK COMMISSION
CONSOLIDATED STATEMENT OF OPERATIONS**

For the Year Ended March 31

	2023 Budget	2023 Actual	2022 Actual		
	Unaudited (Note 16)	(Note 18)			
REVENUES (Note 10)					
Province of Newfoundland and Labrador					
Operating grant	\$ 263,500	\$ 263,500	\$ 270,900		
Golf course (Note 11)	1,212,110	1,546,400	1,162,112		
Campground (Note 12)	610,000	713,348	432,172		
Services	306,000	315,857	303,718		
Rental	115,000	131,009	107,032		
Government of Canada	-	110,216	53,612		
Miscellaneous	53,333	54,801	54,878		
Interest	13,800	57,551	10,775		
Advertising	12,600	7,244	7,599		
	2,586,343	3,199,926	2,402,798		
EXPENSES (Note 10)					
Golf course	1,058,402	1,339,146	951,620		
Campground	339,775	352,799	253,839		
General park	590,760	670,092	537,497		
Administration and other	582,796	680,701	660,285		
	2,571,733	3,042,738	2,403,241		
Annual surplus (deficit) before gain on disposal of tangible capital assets	14,610	157,188	(443)		
Gain on disposal of tangible capital assets	-	2,519	19,635		
Annual surplus	14,610	159,707	19,192		
Accumulated surplus, beginning of year	8,332,992	8,332,992	8,313,800		
Accumulated surplus, end of year	\$ 8,347,602	\$ 8,492,699	\$ 8,332,992		

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

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

	2023 Budget	2023 Actual	2022 Actual
Unaudited (Note 16)			(Note 18)
Annual surplus	\$ 14,610	\$ 159,707	\$ 19,192
Changes in tangible capital assets			
Acquisition of tangible capital assets	(48,364)	(201,694)	(157,105)
Net book value of tangible capital asset disposal	-	959	2,104
Amortization of tangible capital assets	183,744	190,320	164,405
	135,380	(10,415)	9,404
Changes in other non-financial assets			
Net use (acquisition) of prepaid expenses	-	26,087	(3,627)
Net acquisition of inventories held for use	-	(26,802)	(6,579)
	-	(715)	(10,206)
Increase in net financial assets	149,990	148,577	18,390
Net debt, beginning of year	(72,913)	(72,913)	(91,303)
Net financial assets (debt), end of year	\$ 77,077	\$ 75,664	\$ (72,913)

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**

2023

2022

Cash flows from operating activities

Annual surplus	\$ 159,707	\$ 19,192
Adjustment for non-cash items		
Amortization	190,320	164,405
Gain on disposal of tangible capital assets	(2,519)	(19,635)
	347,508	163,962
Changes in non-cash working capital		
Accounts receivable	1,335	(22,084)
Inventories held for resale	946	(6,598)
Prepaid expenses	26,087	(3,627)
Inventories held for use	(26,802)	(6,579)
Accounts payable and accrued liabilities	13,951	30,591
Deferred revenue	109,463	67,697
Employee future benefits	1,325	2,299
Cash provided from operating transactions	473,813	225,661

Capital transactions

Proceeds from disposal of tangible capital assets	3,478	21,739
Acquisition of tangible capital assets	(201,694)	(157,105)
Cash applied to capital transactions	(198,216)	(135,366)

Financing transactions

Proceeds from bank loan	-	54,995
Repayment of bank loan	(26,831)	(26,830)
Repayment of capital lease obligations	-	(5,973)
Cash provided (to) from financing transactions	(26,831)	22,192
Net increase in cash	248,766	112,487
Cash, beginning of year	902,713	790,226
Cash, end of year	\$ 1,151,479	\$ 902,713

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

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023

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 long-term debt. 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, 2023

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. Long-term debt is measured at amortized cost.

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities and long-term debt 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 and cash on hand.

(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.

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%
Buildings and building improvements	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, 2023**

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 five years of earnings up to January 1, 2015, or the average of the best six 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, 2023**

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, asset retirement obligations 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, 2023

(I) Asset Retirement Obligations

On April 1, 2022, the Commission adopted PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The standard was adopted on the modified retrospective basis at the date of adoption.

3. Accounts receivable

	<u>2023</u>	<u>2022</u>
Province of Newfoundland and Labrador	\$ -	\$ 54,979
Trade	26,985	3,724
<u>Harmonized sales tax</u>	<u>34,033</u>	<u>4,345</u>
	61,018	63,048
Less: allowance for doubtful accounts	-	(695)
<u>Net accounts receivable</u>	<u>\$ 61,018</u>	<u>\$ 62,353</u>

4. Deferred revenue

	<u>2023</u>	<u>2022</u>
Golf course	\$ 269,154	\$ 147,984
Clubhouse	94,092	73,305
Rental	17,990	17,342
Campground	-	33,016
Other	874	1,000
	\$ 382,110	\$ 272,647

Golf course deferred revenue relates to golf packages and gift certificates sold during the fiscal year that relate to the 2023 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 2023 camping season. Other deferred revenue relates to property lease payments received that relates to the 2023-24 fiscal year.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023

5. Asset retirement obligations

Effective April 1, 2022, the Commission implemented PS3280 Asset Retirement Obligations standard. Asset retirement obligations are comprised of the following:

	<u>2023</u>	<u>2022</u>
		(Note 18)
Golf course Improvements	\$ 503	\$ 503
Buildings – Golf Course	19,670	19,670
Fuel Tanks – Golf Course	10,000	10,000
Buildings – Commission	432,330	432,330
Fuel Tanks – Commission	10,000	10,000
	<hr/>	<hr/>
	\$ 472,503	\$ 472,503

The Commission has recorded asset retirement costs related to ten local buildings and five fuel tanks owned by the Commission. The Golf Course has recorded asset retirement costs related to three local buildings and five fuel tanks owned by the Golf Course.

6. Long-term debt

	<u>2023</u>	<u>2022</u>
Non-revolving Demand Instalment Loan repayable in 30 regular principal payments of \$1,833, to be made July 31 to December 31 of each year. Interest paid monthly at the prime rate. Maturing December 2025.	\$ 32,996	\$ 43,996
Non-revolving Demand Instalment Loan repayable in 24 regular principal payments of \$2,639, to be made May 30 to October 30 of each year. Interest paid monthly at the prime rate. Maturing October 2024.	31,663	47,494
	<hr/>	<hr/>
	\$ 64,659	\$ 91,490

Future long-term debt principal repayments

2023-24	\$ 26,830
2024-25	26,830
2025-26	<hr/> 10,999
	<hr/>
	\$ 64,659

Total interest paid and expensed during the year was \$3,787.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023

7. Employee future benefits

	<u>2023</u>	<u>2022</u>
Provision for accumulating, non-vesting, sick leave	\$ 50,226	\$ 48,901

Pension contributions

The employees of the Commission represented by 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% (2022 - 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, 2023 was \$67,616 (2022 - \$68,814).

8. Tangible capital assets

Original cost

	Balance March 31, 2022 (Note 18)	Additions	Disposals	Balance March 31, 2023
Park				
Land	\$ 5,416,462	\$ -	\$ -	\$ 5,416,462
Furniture and equipment	452,991	18,404	(23,031)	448,364
Vehicles	136,511	102,289	-	238,800
Buildings	1,795,439	-	-	1,795,439
Park improvements	1,852,187	-	-	1,852,187
Golf course				
Land	1,809,696	-	-	1,809,696
Golf course improvements	1,346,814	-	-	1,346,814
Buildings	688,261	-	-	688,261
Furniture and equipment	981,058	81,001	(25,352)	1,036,707
	\$14,479,419	\$ 201,694	\$ (48,383)	\$14,632,730

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023

8. Tangible capital assets (cont.)

Accumulated amortization

	Balance March 31, 2022 (Note 18)	Amortization	Accumulated amortization on disposals	Balance March 31, 2023	Net book value March 31, 2023	Net book value March 31, 2022 (Note 18)
Park						
Land	\$ -	\$ -	\$ -	\$ -	\$ 5,416,462	\$ 5,416,462
Furniture and equipment	391,683	21,153	(22,711)	390,125	58,239	61,308
Vehicles	88,969	29,606	-	118,575	120,225	47,542
Buildings	1,567,000	22,844	-	1,589,844	205,595	228,439
Park improvements	1,565,743	28,508	-	1,594,251	257,936	286,444
Golf course						
Land	-	-	-	-	1,809,696	1,809,696
Golf course improvements	1,117,515	22,930	-	1,140,445	206,369	229,299
Buildings	544,229	14,403	-	558,632	129,629	144,032
Furniture and equipment	851,597	50,876	(24,713)	877,760	158,947	129,461
	\$ 6,126,736	\$ 190,320	\$ (47,424)	\$ 6,269,632	\$ 8,363,098	\$ 8,352,683

**C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023**

8. Tangible capital assets (cont.)

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

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

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

(b) Title to Commission property

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

9. Related party transactions

- (a) During the year, the Commission received an operating grant of \$263,500 (2022 - \$270,900) from the Province. Accounts Receivable includes \$0 (2022 - \$54,979) due from the Province in the normal course of business.
- (b) Services and rental revenue include revenues from the Province in the amount of \$286,668 (2022 - \$275,336) as a result of ongoing contracts. These revenues are recorded at the exchange amount through the normal course of business.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023

10. Segmented information

The Commission reports its revenue and expenses by program area.

	Golf course		Campground		General park		Administration		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues										
Province of Newfoundland and Labrador operating grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 263,500	\$ 270,900	\$ 263,500	\$ 270,900
Golf course (Note 11)	1,546,400	1,162,112	-	-	-	-	-	-	1,546,400	1,162,112
Campground (Note 12)	-	-	713,348	432,172	-	-	-	-	713,348	432,172
Services	-	-	-	-	315,857	303,718	-	-	315,857	303,718
Rental	-	-	-	-	-	-	131,009	107,032	131,009	107,032
Government of Canada	-	-	39,507	53,612	70,709	-	-	-	110,216	53,612
Miscellaneous	-	1,000	-	-	-	-	54,801	53,878	54,801	54,878
Interest	29,376	4,491	-	-	-	-	28,175	6,284	57,551	10,775
Advertising	7,244	7,599	-	-	-	-	-	-	7,244	7,599
	1,583,020	1,175,202	752,855	485,784	386,566	303,718	477,485	438,094	3,199,926	2,402,798
Expenses										
Advertising and promotion	7,800	1,525	3,048	9,871	495	-	274	160	11,617	11,556
Amortization	88,209	81,898	-	-	-	-	102,111	82,507	190,320	164,405
Bank charges	35,870	21,165	-	-	-	-	17,908	10,796	53,778	31,961
Building maintenance	100,446	57,389	52,235	14,882	3,597	729	12,324	21,912	168,602	94,912
Course maintenance	97,538	61,561	-	-	-	-	-	-	97,538	61,561
Equipment maintenance	87,108	44,156	-	-	30,017	26,732	-	-	117,125	70,888
Fuel	51,193	28,792	-	-	28,170	23,234	-	-	79,363	52,026
Heat, light and telephone	51,656	42,128	40,756	30,889	10,993	10,068	22,146	23,517	125,551	106,602
Honoraria	-	-	-	-	-	-	760	665	760	665
Insurance	42,315	40,366	-	-	5,371	-	35,457	54,759	83,143	95,125
Interest on capital lease	-	75	-	-	-	-	-	-	-	75
Interest on long-term debt	3,787	2,176	-	-	-	-	-	-	3,787	2,176
Miscellaneous	19,397	4,911	10	-	169,789	61,748	1,103	884	190,299	67,543
Office	9,664	8,264	250	218	-	-	12,220	10,266	22,134	18,748
Professional fees	6,782	4,799	1,190	3,161	-	-	1,743	2,601	9,715	10,561
Salaries and employee benefits	727,215	545,933	243,924	185,293	409,581	405,510	470,957	449,748	1,851,677	1,586,484
Supplies	10,166	6,482	11,015	9,525	10,735	9,476	3,523	2,470	35,439	27,953
Training	-	-	371	-	1,344	-	175	-	1,890	-
	1,339,146	951,620	352,799	253,839	670,092	537,497	680,701	660,285	3,042,738	2,403,241
Annual surplus (deficit) before loss on disposal of tangible capital assets	\$ 243,874	\$ 223,582	\$ 400,056	\$ 231,945	\$ (283,526)	\$ (233,779)	\$ (203,216)	\$ (222,191)	\$ 157,188	\$ (443)
Gain (Loss) on disposal of tangible capital assets	2,839	-	(258)	-	(62)	-	-	19,635	2,519	19,635
Annual surplus (deficit)	\$ 246,713	\$ 223,582	\$ 399,798	\$ 231,945	\$ (283,588)	\$ (233,779)	\$ (203,216)	\$ (202,556)	\$ 159,707	\$ 19,192

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11. Golf course revenue

Course operations

	<u>2023 Budget</u>	<u>2023 Actual</u>	<u>2022 Actual</u>
	Unaudited (Note 16)		
Green fees	\$ 815,610	\$ 913,783	\$ 804,326
<u>Rentals</u>	<u>206,200</u>	<u>289,837</u>	<u>205,841</u>
	<hr/> <u>1,021,810</u>	<hr/> <u>1,203,620</u>	<hr/> <u>1,010,167</u>
Proshop sales	20,000	23,640	15,426
<u>Less: cost of goods sold</u>	<u>(8,200)</u>	<u>(11,951)</u>	<u>(6,833)</u>
	<hr/> <u>11,800</u>	<hr/> <u>11,689</u>	<hr/> <u>8,593</u>
Course operations	1,033,610	1,215,309	1,018,760
 Clubhouse operations			
Salon rentals	40,000	67,033	28,100
<u>Catering commissions</u>	<u>33,000</u>	<u>62,213</u>	<u>25,681</u>
	<hr/> <u>73,000</u>	<hr/> <u>129,246</u>	<hr/> <u>53,781</u>
Salon sales	165,000	308,258	142,749
<u>Less: cost of goods sold</u>	<u>(59,500)</u>	<u>(106,413)</u>	<u>(53,178)</u>
	<hr/> <u>105,500</u>	<hr/> <u>201,845</u>	<hr/> <u>89,571</u>
Clubhouse operations	178,500	331,091	143,352
	<hr/> \$ 1,212,110	<hr/> \$ 1,546,400	<hr/> \$ 1,162,112

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12. Campground revenue

	<u>2023 Budget</u>	<u>2023 Actual</u>	<u>2022 Actual</u>
	<u>Unaudited (Note 16)</u>		
Registration fees	<u>\$ 610,000</u>	<u>\$ 691,582</u>	<u>\$ 411,426</u>
Sales	-	<u>47,045</u>	<u>41,915</u>
Less: cost of goods sold	-	<u>(25,279)</u>	<u>(21,169)</u>
	-	<u>21,766</u>	<u>20,746</u>
	<u><u>\$ 610,000</u></u>	<u><u>\$ 713,348</u></u>	<u><u>\$ 432,172</u></u>

13. Contractual obligations

The Commission has entered into an agreement for trail maintenance. Minimum payments over the term of the agreement are:

<u>2024</u>	<u><u>\$ 54,000</u></u>
	<u><u>\$ 54,000</u></u>

14. Contractual rights

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

<u>2024</u>	<u><u>\$115,250</u></u>
<u>2025</u>	<u><u>17,525</u></u>
<u>2026</u>	<u><u>17,525</u></u>
	<u><u>\$150,300</u></u>

15. Financial risk management

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

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15. Financial risk management (cont.)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission's main credit risk relates to cash and accounts receivable. The Commission's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Commission is not exposed to significant credit risk with its cash because this financial instrument is held with a Chartered Bank. Also, it is not exposed to significant credit risk related to the accounts receivable from the Province or the harmonized sales tax receivable due to their 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, long-term debt (Note 6), and its contractual obligations (Note 13). The Commission manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its financial liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Commission is not exposed to significant foreign exchange or other price risk. In addition, the Commission is not exposed to significant interest rate risk on its long-term debt as a change in the variable interest rate of one percent would not result in a significant change in the annual interest expense on long-term debt.

16. Budgeted figures

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

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17. Non-financial assets

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

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18. Comparative Figures Restatement and Reclassification

Prior to April 1, 2022, the Commission did not record an asset retirement obligation related to future asset retirement costs. PSAB standards require that a liability and a capital asset be recognized in the financial statements. In order to comply with CPSAS, a retroactive adjustment was made to recognize tangible capital assets, accumulated amortization and a liability related to asset retirement costs. This resulted in the restatement of certain amounts in the prior period as follows:

Comparative Restatement 2021-2022

	<u>2022</u>	<u>2022 Restated</u>	<u>Change</u>
Statement of Financial Position			
Asset retirement obligation	\$ -	\$ 472,503	\$ 472,503
Tangible capital assets	8,318,732	8,352,683	33,951
Net financial assets	399,590	(72,913)	(472,503)
Accumulated surplus	8,771,544	8,332,992	(438,552)
Statement of Operations			
Accumulated surplus, beginning of the year	8,752,352	8,313,800	(438,552)
Accumulated surplus, end of year	8,771,544	8,332,992	(438,552)
Statement of Change in Net Financial Assets (Debt)			
Net financial assets (debt), beginning of year	381,200	(91,303)	(472,503)
Net financial assets (debt), end of year	399,590	(72,913)	(472,503)
Note 5 – Asset retirement obligations			
Asset retirement obligations	-	472,503	472,503
Note 8 - Tangible capital assets			
Original cost, end of year	14,026,916	14,479,419	452,503
Accumulated amortization, end of year	5,708,184	6,126,736	418,552
Net book value, end of year	8,318,732	8,352,683	33,951

Certain other comparative figures for 2022 have been reclassified to conform to the presentation adopted in 2023.