



# 2006-2007 Annual Report

September 30, 2007



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## C. A. PIPPY PARK COMMISSION

# Pippy Park Commission

Mt. Scio House  
P.O. Box 8861  
St. John's, Newfoundland  
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September 30, 2007

Honourable Tom Marshall  
Minister of Finance  
P.O. Box 8700  
St. John's, NL A1B 4J6

Dear Minister:

In accordance with Section 20 of the *C.A. Pippy Park Commission Act* and Section 9 of the *Transparency and Accountability Act*, I am pleased to submit the Annual Report of the C. A. Pippy Park Commission. This year's Annual Report also includes the activities of the subsidiary corporation, the C.A. Pippy Park Golf Course Ltd.

Accompanying the Report, are the Consolidated Financial Statements for the C.A. Pippy Park Commission and its subsidiary, the C.A. Pippy Park Golf Course Limited, for year ended 31 March 2007. These statements have been compiled by management in accordance with Canadian generally accepted accounting principles. Audited statements were not available at the time of publication of the Annual Report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Ian C. Pippy'. The signature is fluid and cursive, with a large initial 'I' and 'P'.

Ian C. Pippy  
Chairperson

ICP/ad

- TRAILER PARK • NORTHBANK LODGE • PLAYGROUNDS
- GOLF COURSE & 19th HOLE LOUNGE • HIKING & SKIING TRAILS

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## **CHAIRPERSON'S MESSAGE**

I am pleased to present the Annual Report of the C. A. Pippy Park Commission for the year ending March 31, 2007. As Chair of the Commission, I am accountable for the activities of the Commission as reported throughout this document.

On behalf of the Commission, let me again begin by expressing my sincere thanks to our staff, our valued partners and the various volunteers who all contribute to the continued success of the Park. We value highly the continued assistance of the Provincial Government, in particular the Department of Finance, for its financial and human resources support. Our valued partner, the City of St. John's, works closely in partnership with Pippy Park by providing valuable recreational activity programming and "in kind" contributions. Our dedicated board members provided thorough assessment and focussed direction in all matters relating to policy formulation and park management throughout the past fiscal year.

This past year has seen significant changes in the structure and operations of the Park. After more than a year of diligent service, Mr. Craig Martin ended his secondment as Executive Director of the Commission and has returned to a key role in the Provincial Government. I would like to personally thank Mr. Martin for his contributions to the Commission during his tenure with us. In March 2007, I welcomed the appointment of Ric Mercer as the new Executive Director. Mr. Mercer will be supported by a new position of Manager of Park Operations thus increasing the management support for the Board and the Park as a whole.

Following the creation of the C. A. Pippy Park Golf Course Limited as a subsidiary of the Commission, staff has strived to improve the operation and public awareness of both the Admirals Green and Captains Hill golf courses. We continue to provide excellent banquet and lounge services at the Clubhouse.

During the autumn of 2006 all in-ground infrastructure for our new 30 site caravan campground was installed. These new drive through RV sites will attract touring caravans from across North America and add significant value and revenue to our campground operations.

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The Winter of 2006 saw further growth in the cross-country ski program in the Park, with fully groomed cross-country ski trails established within the Travel Trailer Park facility through volunteer efforts of the Nordic Ski Club and the outfitters. The City of St. John's now offers its cross-country ski instruction and rental program from newly renovated North Bank Lodge located next to these ski trails.

We as Board Members look forward to continuing our efforts to implement Improvements to ensure Pippy Park remains valued recreation area for generations to come.



Ian C. Pippy  
Chairperson

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# GOVERNMENT ENTITY OVERVIEW

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## VISION

The C. A. Pippy Park Commission, as the provincial capital commission, shall ensure a “park-like” setting for the home of the province’s seat of government.

## MISSION

### Mandate of the Commission

The mandate of the C. A. Pippy Park Commission, which was established in 1968, is to develop and maintain an area of land, in a park-like setting, to provide recreational opportunities for the residents of the Province, preserve the cultural heritage of the area and to accommodate the development of Government offices, Memorial University and other educational and cultural institutions.

Over the past four decades, Pippy Park has evolved into one of the largest urban parklands in Canada. Like other large urban parks in the country it struggles to preserve its natural ecosystems while balancing the demands for institutional and recreational development from an ever increasing population surrounding its borders.

## LINES OF BUSINESS

### Pippy Park Public Golf Courses

The first public golf course, a nine hole par 34, in the Province was established in Pippy Park during the mid 1970's. In 1990, the 18 hole par 73 Admirals Green Course and Clubhouse was opened. These two courses were operated by the management Board of Thomas Development (1989) Corporation, in conjunction with the C. A. Pippy Park Commission, until the past year. Commencing in January 2006 both courses were acquired by the C. A. Pippy Park Golf Course Ltd, a wholly owned subsidiary of the Commission. Although there has been an increase in the number of golf course facilities in the St. John's area during recent years, the Pippy Park Courses remain a popular and competitive golfing facility.

### Pippy Park Campground

This facility is operated directly by the Commission and is a prime example of the effective use of public land in the Park. The Campground now contains 211 sites, of which 95 offer full services; 38 sites are semi-serviced, with water and electricity; and 78 sites are un-serviced. The Campground is officially open to the public from May through October and is used extensively by tourists from within and outside the Province.

Due to the campground's strategic location in relation to the historic attractions in and around the City of St. John's, significant tourist dollars are generated locally from the use of the facility. There is a need to continually upgrade and maintain the facility to meet recognized campground standards. The Commission is continuing to improve this facility with revenue from its operations and the financial assistance from the Province.

### **North Bank Lodge**

This facility is operated as a meeting, social and recreational venue within the quiet atmosphere of the Park. The facility can accommodate about 50 people and is used by Government departments, organizations, groups and private individuals on a rental basis. This past winter, this facility has been utilized for the purpose of a ski program. During 2006/7 the Lodge was extensively renovated much to the pleasure and satisfaction of our clients.

### **Mini Golf Course**

This facility is operated by the Commission to add value to our campground and provide enjoyable family entertainment. The 18 hole course includes miniatures of local attractions, such as the Confederation Building and Hibernia drilling rig, and a refreshment kiosk all of which are minutes walk North Bank Lodge, Fluvarium and Campground. The Mini Golf is profitable but will require renovations in the near future to ensure it remains a safe and attractive facility.

### **Golf Driving Range**

The Golf Driving Range is operated by a private entity operator, on land owned by the C. A. Pippy Park Commission. It is located near the Marine Institute on Ridge Road. The operator pays a management fee to the Commission under a licence agreement.

### **Grounds Maintenance and Service Contracts**

A significant part of the operations of the Pippy Park Commission involves landscaping and grounds maintenance. Activities include grass cutting, planting and maintenance of trees and flowers, maintenance of the campgrounds and related services, maintenance of walking and hiking trails, collection and removal of garbage and other debris from Park property, and snow-clearing and maintenance of Park roadways.

In addition, the Commission, pursuant with the *C.A. Pippy Park Commission Act*, provides fee for service landscape and grounds maintenance at public buildings located in the Park. These services include the construction and maintenance of lawns and walkways, tree planting, flower planting and other related activities. A significant portion of the Park's current account budget is utilized in providing these services.

## NUMBER OF EMPLOYEES

The Commission employs five full-time employees for administration and Park maintenance. During peak operations, the Commission employs up to forty employees, both seasonal and student staff, for grounds maintenance and operation of the R.V. Park facilities.

The subsidiary, C. A. Pippy Park Golf Course Ltd., employs an additional twenty eight employees to operate the seasonal golf operations and the Clubhouse year-round.

## COMMISSION ADMINISTRATION

The Commission is a semi-autonomous Crown Corporation under the laws of the Province of Newfoundland and Labrador. The Commission currently reports to the House of Assembly through the Honourable Tom Marshall, Minister of Finance.

The members of the Commission Board are responsible for the administration of the business of the Commission, with support from the Chairperson, who assumes responsibility as Chief Executive Officer in accordance with Section 8 of the *C. A. Pippy Park Commission Act*.

The Commission employs a small complement of administrative staff under the direction of an Executive Director. Commission staff are appointed under Section 13 of the *C. A. Pippy Park Commission Act*.

In 2006/07, the Commission operated primarily from revenue generated from its own operations and a Provincial Government operating grant of \$350,000.00.

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 Province's Auditor General.

## C. A. Pippy Park Commission Act

The *C. A. Pippy Park Commission Act* defines the participating parties of the Commission as:

- The "government", meaning the Lieutenant-Governor in Council.
- The "city", meaning the City of St. John's, incorporated by the *City of St. John's Act*.
- The "university", meaning Memorial University of Newfoundland and Labrador constituted by the *Memorial University Act*.

## **BOARD of DIRECTORS**

Members of the C. A. Pippy Park Commission Board are appointed in accordance with Section 4 of the *C. A. Pippy Park Commission Act*. As of March 31, 2007, the following people served as members of the Commission:

### **Chairperson & Chief Executive Officer**

**Mr. Ian C. Pippy.** Appointed by the Lieutenant-Governor in Council.

### **Vice-Chairperson**

**Ms. Susan Whitten.** Appointed as Vice-Chairperson by the Lieutenant-Governor in Council.

### **Government of Newfoundland and Labrador Representative**

**Mr. Robert Constantine.** Appointed by the Lieutenant-Governor in Council.

### **Memorial University Representative**

**Mr. Darrell Miles** is appointed by the Board of Regents of Memorial University of Newfoundland and Labrador.

### **City of St. John's Representative**

**Mr. Sandy Hickman.** Appointed by the City of St. John's.

### **Pippy Family Representative**

**Ms. Sharon Pippy.** Appointed by the Lieutenant-Governor in Council to represent the Pippy Family.

### **Pippy Park Landowners and Residents Association (PPLORA) Representative**

**Mr. Grant Hiscock.** Appointed by the Lieutenant-Governor in Council.

### **Member at Large**

**Mr. Eric Coombs.** Appointed by the Lieutenant-Governor in Council. .

## **PHYSICAL LOCATION**

### **Park Geographical Area**

As of March 31, 2007, the Park boundaries covered an area of approximately 1343 hectares (3400 acres). 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.

## **OTHER KEY STATISTICS**

### **Permits**

The Commission has a broad mandate of responsibilities and powers under its "*Act*", including the power to issue permits regulating the development and improvement of both public and private property within the Park boundaries. Permits are issued in accordance with the *C. A. Pippy Park Commission Act* and in compliance with the Pippy Park Master Plan, the Park by-laws and related policies. Examples include;



improvements to private property; building and expansion of public facilities; construction of major roads and power corridors; and general improvements to public land and other property.

The Commission has re-examined its policy with respect to improvements for existing private properties. The Commission decided that in some instances it will allow for the removal and replacement of existing structures where circumstances warrant such actions. This new policy was adopted in recognition of current construction costs and new building code requirements. This will allow existing property owners to maintain their premises to current standards without imposing undue financial hardships on them. All requests for improvements will continue to be reviewed by the Commission on a case-by-case basis.

### **Commercial Properties**

As of March 31, 2007, the Commission managed several commercial properties, operated on land to which the Crown holds the title. These facilities include: **Mt. Scio House**, which contains the administrative offices of the Commission; the former **Headquarters Building**, which is currently used by various non-profit groups; the **North Bank Lodge**, which is rented to Government departments, organizations, and private groups and individuals as a meeting and social activity centre.

### **Residential Properties**

As of March 31, 2007, the Commission managed four residential properties, which are either vacant or rented to

private individuals. In cases where the Commission purchases homes from private property owners, it assesses the value of these houses as potential rental units. Some of the residential units are suitable for short-term rental, thereby providing a source of revenue to support the operations of the Commission. Buildings purchased by the Commission which have no rental or heritage value, are demolished and the land is restored as close as possible to the original landscape.

### **Institutional Facilities**

The boundaries of Pippy Park contain a number of institutional, educational and cultural facilities, including the Confederation Building Complex, 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, and several other smaller facilities.

The Elaine Dobbin Centre for Autism (Shamrock Farm) has been constructed after a successful capital fundraising program. Efforts have been made to retain as much as possible the natural features of the area and the building design has been carefully chosen to blend with the site.

The Commission has approved in principle the development of a new facility for the Provincial Easter Seals Society on land located on Mount Scio Road at the former site of the Railway Transportation Museum. Late in the fiscal year the Society and the Commission finalized a long term lease

for the property. The Easter Seals Society is currently in the process of launching their capital fundraising campaign for construction of the facility. In the interim, they continue to occupy the Commission's old headquarters building as a site to house some of their programs.

Another prominent not for profit organization, the St. John's YM-YWCA, has submitted an application to the Commission to acquire land for the construction of a new recreation complex. Located on the corner of Higgins Line and Ridge Road, the 30,000 square foot facility will replace the current YM-YWCA and expand its community outreach abilities. Negotiations are continuing among the Commission parties to finalize a sale of the property to the YM-YWCA.

## **Private Properties**

As of March 31, 2007, approximately 47 privately owned residences remain within the boundaries of Pippy Park. The Commission recognizes and encourages the right of the owners of these properties to enjoy the peace and contentment of living and working within the Park environment.

## **Scientific Research and Monitoring**

The 3400 acres of land comprising the Park continues to provide locations for scientific research and monitoring. During the past year scientists and researchers from Memorial University, the Canadian Wildlife Service, the Canadian Food Inspection Agency, the Memorial University Botanical Garden and others have researched and monitored plant, avian and insect populations in the Park.

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## SHARED COMMITMENTS

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### **Fluvarium**

Owned and operated by the Quidi Vidi/Rennies River Development Foundation, the Fluvarium is a major attraction within Pippy Park and is the third most visited tourist attraction in the area. Visitors can observe brown trout, Atlantic Salmon parr and other aquatic species through nine large underwater viewing windows into Nagle's Hill Brook as it flows by the building. The Fluvarium promotes education and environmental awareness for school groups, tourists and the general public.

### **St. John's Therapeutic Riding Association (Rainbow Riders)**

This volunteer non-profit group operates a therapeutic horseback riding and animal care program for the benefit of physically and mentally challenged children. The facility is located on Mount Scio Road on property administered by the Commission. The Association participates in Provincial and National riding competitions.

### **Memorial University of Newfoundland Botanical Garden**

Memorial University operates the only botanical garden in the Province. The facility displays plants which are native to Newfoundland and cultivated plants suitable to the local climate. The

primary objective is to stimulate public interest in, enjoyment of Newfoundland's natural history, and to provide opportunities for education and research. The Garden provides a unique blend of horticulture and nature throughout its the colourful walkways and planting displays.

### **Friends of Pippy Park Incorporated**

This volunteer group is made up of private citizens that support and use the Park. The focus of the group consists mainly of organizing environmental programs such as Children's Gardening and Park Clean-ups. Its representatives sponsor work and research projects, serve on Park advisory committees, and promote the Park generally through various public programs. The Friends also organize summer and winter festivals, public lectures and distribute information pamphlets about the Park.

### **Pippy Park Trails System**

The Park contains a variety of hiking, walking, and cross country ski trails that connect areas of the Park with the City of St. John's and the surrounding area. The trails provide opportunities for wilderness hiking in the Three Pond Barrens or easy walking along the handicap accessible trails at Kent's Pond, Long Pond and Rennies River. There

are also cross-country ski trails and a skiing program delivered by the City of St. John's Recreation Department. The many trails afford an opportunity to observe a variety of birds, animals, plants and other wildlife in their natural habitat.

The majority of the trails in the Park were developed in partnership with the Grand Concourse Authority (GCA) and the City of St. John's. These trails are maintained by the Authority.

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# HIGHLIGHTS & ACCOMPLISHMENTS

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## **Campground Improvements**

During 2006/07 all the in-ground infrastructure for a new 30 site recreational vehicle (RV) caravan camping loop was completed. This \$180,000 capital investment is a direct response to the ever increasing market for organized RV tours throughout North America. When this new loop becomes operational in 2007/08 it will accommodate upwards of 450 RV units per operating season. By estimating daily expenditures, it can be calculated that each unit contributes approximately \$1,200 per stay to the local economy or an impressive \$540,000 per operating season. When fully operational the new caravan loop will generate an estimated \$85,000 annually in additional revenue for the Commission.

## **Golf and Clubhouse Catering**

Both the Captains Hill and Admirals Green Golf courses remained popular with the golfing public during the past year. The courses hosted various tournaments and corporate golfing events as well as well accommodating league play.

Catering and bookings at the Admirals Green Clubhouse remained strong and competitive during the 2006/07 operating season. A total of 140 events were managed by staff and the contracted caterer.

## **North Bank Lodge Renovations**

The popular North Bank Lodge was extensively renovated during the winter of 2006. New siding, interior structural changes, and handicap access were among the most visible renovations to the building. The facility continues to attract governmental and private bookings and these recent renovations will help increase its popularity. During 2006/07 North Bank Lodge generated approximately \$12,000 in rental revenue for the Commission.

## **Children's Playground**

A new children's playground located near the North Bank Lodge was completed in 2006. The project included the installation of play structures, a miniature playhouse, and landscaping.

## **Demolition of Old Residences**

Several old residences located on Higgins Line, Nagles Place and Mount Scio Road were demolished and the sites restored during 2006/07. These actions were taken to ensure public safety and eliminate potential vandalism.

## **Pippy Park Special Events**

In August 2006, the Pippy Park Promotions Committee and the Friends of Pippy Park continued to host the annual Pippy Park Summerfest. This event helps to promote

the various attractions and opportunities in Pippy Park. The activities include dance performances, heritage and other displays. The event is attracting increased numbers of performers and public participants.

### **Walking Trails and Cross Country Skiing Programs**

The network of walking trails throughout the Park was improved during 2006 with the upgrading of the Long Pond route and numerous maintenance upgrades on other routes.

The Cross Country Ski Trail Program in the Park was again operated during the winter months. Trails were groomed along the roads in the campground through the efforts of staff and volunteers from the Nordic Ski Club and a local sporting goods supply company, Outfitters Ltd. Ungroomed back country trails in the Three Pond barrens area were also popular with many skiers. Skiing activity was also enhanced by the continuation of the successful City of St. John's cross country instruction and equipment rental program operated from North Bank Lodge.

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# OUTPUTS - RESULTS

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## **Administration and Financial Management Improvements**

The integration of the Admirals Green and Captains Hill golf courses and the Admirals Green Clubhouse catering operations were completed during the 2006/7 fiscal year. This included enhanced administrative and financial oversight procedures to facilitate their operation. In general, during the past year, a comprehensive review was conducted of many administrative and financial policies of the Commission. Improvements were made to both streamline procedures and institute more cost effective practices.

## **Campground**

During 2006/07, demand for campsites continued to grow, especially during the peak season and there also was increased demand in the Fall season. Since 2004, the total number of sites booked per season has increased by 58% to a total of 14,558 in 2006/07. This trend is expected to continue to rise over the coming decades as more retired persons pursue caravan touring for recreation. Once the new loop becomes operational next fiscal year, additional revenues and tourist activity will be generated.

## **North Bank Lodge**

The completed renovations to North Bank Lodge this past year which included new exterior siding and interior improvements added much needed value to the facility. During 2007 it is our intention to complete landscaping improvements and other outside amenities.

## **Golf and Catering**

While both golf courses remained popular during 2006/7, there is a need to continually improve maintenance and operations to ensure their competitiveness in the regional marketplace. During the 2007 operating season it is the intention of the subsidiary corporation to improve green quality through enhanced irrigation capacity and paint the exterior of the Clubhouse.

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## OPPORTUNITIES & CHALLENGES

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The C.A. Pippy Park Commission continues to embrace opportunities and face challenges. The following is a summary of the most salient:

### Opportunities

- Demand for campground space continues to increase thus providing opportunity for revenue enhancement and tourism spin off.
- Demand for conference and catering services continues to increase. Pippy Park is being recognized as an attractive venue for such functions.
- Relationships with our institutional and community services partners remain stable and cooperative. New partnerships are being forged with groups such as the Easter Seals and the YM-YWCA.
- Public use of the lands and facilities of Pippy Park continues to increase as urbanization concentrates on the northeast Avalon Peninsula. Our recreation and conservation objectives serve the public well.
- The diverse ecosystems and historical resources within the Park increase its potential for natural and cultural heritage appreciation and interpretation.
- The unspoiled wilderness lands located in its northern extremity provide exciting opportunities for future backcountry and passive tourism use of the Park.

### Challenges

- Increases in the number of golf facilities during the past decade means that the Pippy Park courses must remain competitive and cost efficient.
- The Province has continued to provide an annual contribution to the Park to offset its operational costs. The operating grant for this year was \$350,000, a decrease of \$50,000 compared to 2004-05 fiscal year. In addition, for a period of years, the Commission was able to supplement its revenue base through the sale of lands held by the Commission which were outside the boundaries of the Park. These excess properties have now been completely sold, and this revenue source is no longer available on an ongoing basis. To the extent that revenues from previous years were not used to fund approved budgetary expenditures including capital expenditures, they have been brought forward to offset future deficits and capital programs. At the end of the 2006-07 fiscal year, the cash balance brought forward was \$597,452.



- A major focus of the Board of Commissioners, within its three year mandate, was to achieve efficiencies so as to minimize its reliance on government support. Operational efficiencies have been achieved, and additional revenue sources have been generated. A prime example of this approach is the expansion of the campground and direct operation of the golf courses. Both of these operations generate direct revenue for the Park. While the Commission will continue with these efforts, opportunities are limited
- A key challenge in realizing financial self sufficiency is the realization of the simple fact that our prime business is “running a park”. Many of the regulatory and grounds-keeping activities undertaken, to achieve this mandate, simply do not generate income.
- The human resources and primary management focus for the Park continues to concentrate more on commercial activities rather than public recreation and conservation. The original intent of Pippy Park was to integrate institutional land development with public use. Finding this balance between parkland and the demands of urbanization will continue as an ongoing challenge for the Park and the Commission.

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## FINANCIAL STATEMENTS

The following are Consolidated Financial Statements for the C. A. Pippy Park Commission and its subsidiary, the C. A. Pippy Park Golf Course Limited, for year ended 31 March 2007. These statements have been compiled by management, in accordance with Canadian generally accepted accounting principles. Audited statements were not available at the time of publication of the Annual Report. Management has ensured that these Consolidated Statements are presented fairly in all material respects.



Ric Mercer  
**Executive Director**  
C. A. Pippy Park Commission &  
C. A. Pippy Park Golf Course Ltd.

**C. A. PIPPY PARK COMMISSION  
CONSOLIDATED FINANCIAL STATEMENTS**

**C.A. PIPPY PARK COMMISSION  
CONSOLIDATED BALANCE SHEET  
AT MARCH 31ST**

	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
Cash	597,452	1,114,237
Accounts Receivable (note 2)	77,545	68,777
Merchandise inventory - at the lower of cost and net realizable value	24,116	6,117
Prepaid Expenses	38,078	37,141
Prepaid Supplies	14,472	9,789
	<u>751,664</u>	<u>1,236,061</u>
<b>Capital Assets (Note 3)</b>	<u>1,981,392</u>	<u>2,008,737</u>
	<u>\$2,733,056</u>	<u>\$3,244,798</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	251,439	189,610
Deferred revenue	89,272	84,160
Demand Loans (Note 4)	0	299,784
Obligation under capital lease (Note 11)	31,960	127,045
	<u>372,670</u>	<u>700,599</u>
<b>Advance from Province of Newfoundland and Labrador (Note 5)</b>	250,000	250,000
<b>Obligations under capital lease (Note 11)</b>	40,981	71,601
<b>Accrued severance pay</b>	<u>109,789</u>	<u>98,548</u>
	<u>773,440</u>	<u>1,120,748</u>
<b>Equity</b>		
Unexpended capital funds (Note 6)	0	65,886
Surplus (Deficit)	1,959,617	2,058,164
	<u>1,959,617</u>	<u>2,124,050</u>
	<u>\$2,733,056</u>	<u>\$3,244,798</u>

-UNAUDITED -

**CONSOLIDATED INCOME STATEMENT  
FOR C.A. PIPPY PARK COMMISSION  
PERIOD ENDING MARCH 31, 2007**

**2007**

**2006**

- UNAUDITED -	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Province of Newfoundland and Labrador (Note 7)			
Operating grant	350,000	350,000	350,000
Trailer Park	325,568	332,000	294,742
Miniature Golf	22,097	0	0
Golf management fee (Note 8)	0	0	250,000
Services	187,802	187,500	183,805
Rental	56,250	64,400	91,969
Golf Revenues (Note 9 )	978,719	1,008,000	0
Advertising Revenue	29,338	20,000	0
Interest	38,500	6,000	17,844
Professional fees	0	0	9,320
Income from other revenue producing activities	0	0	9,153
Miscellaneous	7,391	0	1,671
	<u>1,995,665</u>	<u>1,967,900</u>	<u>1,208,504</u>
<b>EXPENSES</b>			
Advertising and promotion	21,028	8,000	4,678
Amortization	262,486	17,000	142,146
Bad debts	0	0	7,606
Building maintenance	90,952	110,000	63,343
Donation	293	1,000	3,000
Equipment maintenance	121,822	140,500	77,537
Heat, light and telephone	125,905	122,500	76,182
Honoria	1,260	5,000	7,495
Insurance	90,678	98,000	87,308
Interest on capital lease obligation	16,513	17,000	114
Loss on Disposal of assets	0	0	742
Miscellaneous	39,849	49,000	21,699
Office	15,963	19,700	5,167
Professional fees	35,806	20,700	25,342
Salaries and employee benefits	1,273,605	1,287,500	635,856
Supplies	37,030	47,500	23,553
Training	2,248	1,000	294
Travel	5,239	2,500	13
Course Maintenance	37,908	70,000	0
	<u>2,178,585</u>	<u>2,016,900</u>	<u>1,182,075</u>
<b>Excess of revenues over expenses (expenses over revenues) from operations</b>	<b>-182,920</b>	<b>-49,000</b>	<b>26,429</b>
<b>Other Revenues</b>			
Bad debt recovery	0		1,000,000
Property Sales	84,373	56,000	946,240
	<u>-98,547</u>	<u>7,000</u>	<u>1,972,669</u>
<b>Surplus (Deficit), beginning of year</b>	<b>2,058,164</b>	<b>85,495</b>	<b>85,495</b>
<b>Surplus (Deficit), end of year</b>	<b>1,959,617</b>	<b>92,495</b>	<b>2,058,164</b>

**C. A. PIPPY PARK COMMISSION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2007**

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**Authority**

The C. A. Pippy Park Commission (The Commission) was incorporated in 1968 and operates under 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 Section 15 of the Corporations Act. It is a wholly owned subsidiary of the C. A. Pippy Park Commission, incorporated in accordance with Section 24(b)(i) of the *Pippy Park Commission Act* under the authority of OC2006-134. The purpose of the Corporation is to manage with the Pippy Park Golf Course.

**Basis of Consolidation**

The consolidated financial statements include the accounts of the C. A. Pippy Park Commission and the C. A. Pippy Park Golf Course Limited. These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Management has ensured that the Consolidated Financial Statements are presented fairly in all material respects.

**1. Significant Accounting Policies**

These financial statements are presented on an accrual basis. Outlined below are the significant accounting polices followed.

(a) Capital Assets

- (i) All capital assets are capitalized at cost at the time of acquisition. Government assistance towards the acquisition of capital assets is deducted from the related capital asset cost with any amortization calculated on the net amount. Amortization is calculated using the declining balance method based on the expected future life of all assets as follows:

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**1. (continued)**

Furniture, equipment and vehicles	30%
Recreation Centres	10%
Buildings	10%
Park Improvements	10%
Golf Course	10%

- (ii) Capital assets are financed primarily through capital grants from the Province of Newfoundland and Labrador. The expended portion of these grants is deducted from capital assets on the balance sheet.
- (iii) 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.

(b) Severance Pay

Severance pay is calculated based on years of service and current salary levels. The entitlement to severance pay vests with employees after nine (9) years of continual service, and accordingly no provision has been made in the accounts for employees with less than nine (9) years of continual service. The amount is payable when the employee ceases employment in the public service. If the employee transfers to another entity included in the public service, then the liability is transferred with the employee to the other entity.

(c) Deferred Revenue

Deferred revenue represents revenue related to future operating periods. The revenue will be reported in the applicable future period to which it relates.

(d) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

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**2. Accounts Receivable**

	<u>2007</u>	<u>2006</u>
Trade	49,812	63,111
Accrued Interest and Other	37,268	12,044
	<hr/> 87,080	<hr/> 75,155
Less: Allowance for Doubtful Accounts	9,535	9,535
	<hr/> \$ 77,545	<hr/> \$ 65,620

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**CAPITAL ASSETS**

	2007			2006	
	Cost	Capital Grants	Accumulated Amortization	Net Book Value	Net Book Value
Land					
Land					
Park	5,994,711	5,994,711	0	0	5,371
	5,994,711	5,994,711	0	0	5,371
Furniture, equipment and Vehicles					
Office Furniture and equipment	36,609	10,230	23,485	2,894	2,817
Furniture and equipment				0	0
North Bank Lodge	14,070	12,708	795	567	810
Trailer Park	6,091	0	4,855	1,236	1,766
Equipment	207,727	88,301	94,076	25,350	15,100
Vehicles	122,842	122,841	0	0	0
	387,339	234,080	123,212	30,047	20,493
Recreation centres					
North Bank Lodge	105,458	38,132	11,720	55,606	827
Miniature Golf	7,500	0	375	7,125	0
	112,958	38,132	12,095	62,731	827
Buildings					
Trailer Park service buildings	351,013	351,013	0	0	0
Headquarters	81,162	81,162	0	0	0
Andrea Gillies				0	
Equestrian Centre	177,881	98,138	73,684	6,059	6,732
Mechanic Shop	51,362	16,970	28,409	5,982	6,543
Greenhouses	56,538	56,538	0	0	0
Registration Offices	75,505	59,129	2,375	14,001	15,557
	793,461	662,950	104,468	26,044	28,832
Other Assets					
Park Improvements	1,275,194	995,946	69,058	210,190	84,879
Golf Course					
Land	1,809,696	1,809,696	0	0	0
Golf Course Improvements	1,357,136	99,999	179,885	1,077,252	1,195,261

Buildings	526,770	10,725	73,338	442,707	490,910
Equipment Under Capital					
Lease	199,118	0	80,646	118,473	169,250
Equipment	90,861	34,662	42,250	13,949	12,914
	<u>3,983,581</u>	<u>1,955,082</u>	<u>376,119</u>	<u>1,652,381</u>	<u>1,868,335</u>
	<u>\$12,547,245</u>	<u>\$9,880,901</u>	<u>\$684,951</u>	<u>\$1,981,392</u>	<u>\$2,008,737</u>

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**3. Capital Assets**

**(a) Capital Assets not included in Financial Statements**

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

Capital improvements made by third parties are not recorded in these 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 Finance for the Crown.

**4. Bank Indebtedness**

Bank Indebtedness is comprised of three (3) financial instruments owed to the Royal Bank of Canada.

**5. Advance from Province of Newfoundland and Labrador**

On 30 March 2001, the Commission received a repayable advance in the amount of \$250,000 from the Province of Newfoundland and Labrador. There are no set terms of repayment. The advance payable remained outstanding at year end.

**6. Unexpended Capital Funds**

The amounts recorded as unexpended capital funds were provided by the Province of Newfoundland and Labrador in the past to assist the Commission with the acquisition of capital assets. Transactions occurring in the unexpended capital funds account during the year were:

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	<u>2007</u>	<u>2006</u>
Balance, beginning of year	\$ 65,886	\$ 65,886
Less: purchases of capital assets	65,886	0
<hr/>		
Balance, end of year	\$ 0	\$ 65,886

**7. Related Party Transactions**

- (a) During the year, the Commission received a \$350,000 operating grant from Government.
- (b) Grounds Maintenance services included a significant volume of transactions with the Province as a result of ongoing contracts.

**8. Golf Course**

On January 6, 2006 the Commission incorporated a wholly owned subsidiary , C.A. Pippy Park Golf Course Limited for the purpose of operating the Golf Course .

The previous operators Thomas Development (1989) Corporation had been notified in December 2005 that the Commission had intended to cancel a Management Agreement that had been in place between Thomas Development Corporation and the Commission since November 1997 for the management and operation of both the 9-hole and 18-hole golf courses. On January 31 , 2006 the Commission cancelled the Management Agreement.

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**9. C. A. Pippy Park Golf Course Ltd.**

	2007		2006
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>Golf Revenues</b>	\$ 1,094,255	\$ 0	\$ 23,316
<b>Less: Cost of Goods Sold</b>	115,536	0	4,310
	<b>\$ 978,719</b>	<b>\$ 0</b>	<b>\$ 19,006</b>

**10. Pensions**

The Commission and its staff are subject to the *Public Service Pensions Act*. Employee contributions are matched by the Commission and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. The Commission's share of Pension contributions for 2007 was \$30,203 (2006 - \$35,980).

The Golf Course staff are represented by two separate unions and consequently participate in two separate pension plans.

Food and Beverage staff are represented by the Newfoundland and Labrador Association of Public and Private Employees. These employees participate in the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. Employee contributions are matched by the Golf Course and then remitted to the Province of Newfoundland and Labrador. The Golf Course's share of pension contributions for 2007 was \$5,648 (2006 - \$19.30).

The Golf Staff are represented by the United Food and Commercial Workers Union, Local 1252. These employees participate in the Canadian Commercial Workers Industry Pension Plan from which pensions will be paid to employees when they retire. Employee contributions are matched by the Golf Course and then remitted to the Canadian Commercial Workers Industry Pension Plan. The Golf Course's share of pension contributions for 2007 was \$7,145 (2006 was \$0.00).

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**11. Capital Lease Obligations**

The capital assets are capitalized at total cost of the lease obligation at the time of acquisition. Amortization is calculated using the declining balance method based on the expected future life of all assets as follows:

Equipment and vehicles 30%

The obligations under the capital leases are secured by the assets acquired under the lease agreements.

Future lease payments required under capital lease obligations under the existing lease contracts are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007/2008	\$31,960	7,191	39,151
2008/2009	\$ 7,832	1,322	9,154
2009/2010	\$ 3,958	740	4,698

Most capital leases carry a nominal purchase option at the end of the lease term. Three leases have buyout amounts other than nominal charges. These are as follows:

<u>Lease #</u>	<u>Lessor</u>	<u>Buyout</u>	<u>Lease ending date</u>
17634	Citi Capital Corp.	\$23,000	01-Nov-2007
17513	Citi Capital Corp.	\$ 4,850	15-Nov-2007

**12. Operating Lease Obligation**

A vehicle has been leased for a thirty six (36) month term commencing July 1, 2005. Minimum Lease payments for the next year are as follows:

2007/2008 \$ 4,666

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**13. Contingent Liabilities**

- (a) A Statement of Claim has been served on the Commission by the Registrar of the Supreme Court of Newfoundland and Labrador. This Statement of Claim results from the failure of the Commission to purchase a parcel of land which is included within the boundaries of the Park or to release this parcel of land for sale to other parties. The land is comprised of 40.2 acres in total, 17.0 acres of which are included within the boundaries of the Park. This issue has not been resolved and development is proceeding on this property. The likelihood of loss as a result of this Statement of Claim is not determinable and the amount of the loss is not reasonably estimable. Her Majesty the Queen in Right of Newfoundland and Labrador, as represented by the Minister of Works, Services and Transportation, (now represented by the Minister of Finance) is named as a Second Defendant in the Statement of Claim.
- (b) On August 18, 2006 a Statement of Claim was served on the Commission by the Dr. Ann Williams. This Statement of Claim relates to a claim against the assets assumed from Thomas Development (1989) Corporation by the C. A. Pippy Park Commission under the terms of the Management Agreement for the operation of the Pippy Park Golf Course. The likelihood of loss as a result of this Statement of Claim is not determinable and the amount of loss is not reasonably estimable at this time.

**14. Financial Instruments**

The Commission's financial instruments recognized on the balance sheet consist of cash, accounts receivable, accounts payable and accrued liabilities. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity associated with them. Any estimated impairment of accounts receivable has been provided for through an allowance for doubtful accounts and no further credit risk exists in relation to these receivables.

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**15. Economic Dependence**

As a result of its reliance on future transfers from the Province of Newfoundland and Labrador to fund its operations, the Commission's ability to continue operations is dependent on the decisions of the Province.

**16. Income Taxes**

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.

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