



2007 - 2008
Annual Report
November 14, 2008



C. A. PIPPY PARK COMMISSION

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CHAIRPERSON'S MESSAGE

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 year ending March 31, 2008. As the newly appointed Chair of the Commission, I am looking forward to the opportunity to serve in this capacity during the next reporting period. As Chairperson of the Board, my signature indicates the Board's accountability for the activities and results 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 management of the Park. In April of 2007, the Commission welcomed Mr. Ric Mercer as its new Executive Director. Mr. Mercer's expertise in sales and business operations garnered from twenty years in the private sector will be a tremendous benefit to the Commission. In May, 2007, Mr. Bob Halfyard joined the Commission in the new position of Manager of Park Operations. Mr. Halfyard brings his expertise in park planning and operations which spans nearly thirty years of employment with both Provincial and Territorial park agencies.

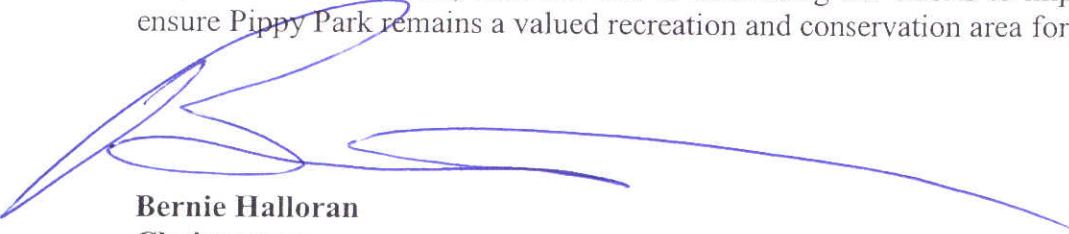
The C. A. Pippy Park Golf Course Limited is a subsidiary of the Commission. During this past year staff has made considerable improvements to operational procedures and promotion of both the Admirals Green and Captains Hill Golf Courses. We continue to provide excellent banquet and lounge services at the Clubhouse.

During the spring of 2007 the finished landscaping and above ground fixtures were installed for our new 30 site caravan camp site at the Pippy Park Campground. These new drive through RV sites continue to attract touring caravans from across North America and add significant value and revenue to our campground operations.

The winter of 2007 saw further growth in the cross-country ski program in the Park, with fully groomed cross-country ski trails established within the Pippy Park Campground facility. The volunteer efforts of the Nordic Ski Club and the Outfitters, assisted by the City of St. John's Recreation Department, operated this successful program. The annual Winterfest event was a resounding success as several hundred people came out on a brisk sunny day to enjoy the activities.

I am certain that I echo all Board members in expressing our sincere gratitude to the former Chairperson, Mr. Ian Pippy, and Vice Chairperson, Ms. Susan Whitten, for their support and dedication to Board activities and Pippy Park during their respective appointment tenures.

We, as Board Members, look forward to continuing our efforts to implement improvements to ensure Pippy Park remains a valued recreation and conservation area for generations to come.



Bernie Halloran
Chairperson

GOVERNMENT ENTITY OVERVIEW

VISION

The vision of the C. A. Pippy Park Commission is the provision of quality recreational, park and accommodation services that meet the needs of its visitors, while preserving the natural areas and heritage of the Park.

MANDATE

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 2006. 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 212 sites, of which 124 offer full services; 38 sites are semi-serviced, with water and electricity; and 50 sites are un-serviced or reserved for tents. 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 was utilized as the venue for the cross country ski and snowshoe rental program. The Lodge acts as a base for the City of St. John's winter outdoor group and ski mobile programs.

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 a minutes walk from the North Bank Lodge, Fluvarium and Campground. The Mini Golf remains popular 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, 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 seven 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 Pippy Park Campground.

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 Crown Corporation under the laws of the Province of Newfoundland and Labrador. The Commission currently reports to the House of Assembly through the Honourable Thomas 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 2007/08, the Commission operated primarily from revenue generated from its own operations and a Provincial Government operating grant of \$350,000.

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*. Last year, the following individuals served as members of the Commission:

Chairperson and Chief Executive Officer:

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

Vice-Chairperson:

Ms. Susan Whitten. Appointed 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. Keith Hiscock. 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

This position was vacant during the past year and is appointed by the Lieutenant-Governor in Council.

PHYSICAL LOCATION**Park Geographical Area**

As of March 31, 2008, 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, the west side of Portugal Cove Road, 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, 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, 2008, the Commission managed several commercial properties, operated on land for 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 as a meeting and social activity centre.

Residential Properties

As of March 31, 2008, the Commission managed four residential properties, which were 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, the Marine Institute, the Health Sciences Centre, and the St. John's Arts and Culture Centre.

The Commission has approved 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. The Easter Seals Society has been very successful with their capital fundraising efforts and construction of the facility has been initiated. Until their new building is ready, the Society will continue to occupy the former Commission headquarters as a site to house some of their programs.

Another prominent not-for-profit organization, the St. John's YM-YWCA, has acquired land from the Commission for the construction of a new recreation complex located on the corner of Higgins Line and Ridge Road. It is anticipated that construction of this facility will begin in 2009.

Private Properties

As of March 31, 2008, approximately 45 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 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 researched and monitored plant, avian and insect populations in the Park.

SHARED COMMITMENTS

Fluvarium

Owned and operated by the Quidi Vidi/Rennies River Development Foundation, the Fluvarium is a major attraction within Pippy Park and is one of the 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 and Labrador Botanical Garden

Memorial University operates the only botanical garden in the Province. The facility displays plants which are native to Newfoundland and Labrador and cultivated plants suitable to the local climate. The primary objective is to stimulate public interest in the Province's natural history and to provide opportunities for education and research. The Garden provides a unique blend of horticulture and garden design throughout its colourful walkways and planting displays.

Autism Society of Newfoundland and Labrador (ASNL)

The Autism Society of Newfoundland and Labrador operates the Elaine Dobbin Centre for Autism at the Shamrock Farm facility located off Clinch Crescent near the Health Sciences Complex. This modern facility offers programs and support for individuals and families affected by autism spectrum disorders.

Easter Seals of Newfoundland and Labrador

The Easter Seals organization is dedicated to providing support and services to children with disabilities. For many years Easter Seals has operated an office in the former Pippy Park headquarters but in the autumn of 2007 it broke ground for a new facility in the Park. Located on Mt. Scio Road, the Easter Seals House will provide a modern centre to better serve its clients and patrons.

YM-YWCA

For several years the Newfoundland and Labrador YM-YWCA has been negotiating with the Commission and the City of St. John's for the purchase of land to construct a new community recreation facility. Late in 2007, it was announced that a site had been secured at the Higgins

Line-Ridge Road intersection for the development of its new multi-use recreation complex. Construction is expected to commence in 2009.

Friends of Pippy Park

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 and Grand Concourse Authority Trails

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 and plants 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 GCA.

HIGHLIGHTS & ACCOMPLISHMENTS

Campground Improvements

During 2007/08 the finished landscaping and above ground fixtures were installed in the new 30 site caravan loop at the Campground. This included landscaped berms, water, sewer, electrical hook ups, security lighting and wireless internet access. This \$210,000 capital investment was a direct response to the ever increasing market for organized RV tours throughout North America. This new loop can 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. Now fully operational, the new caravan loop will generate an estimated \$85,000 annually in additional revenue for the Commission.

Since the new caravan loop was developed, a new overflow area has been constructed. The new overflow can accommodate up to 15 large RVs or 20 smaller campers.

The Campground entrance was also rehabilitated during the summer of 2007. Landscaping improvements, new lighting, and the construction of an enclosed maintenance yard were completed.

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 accommodating league play.

Catering and bookings at the Admirals Green Clubhouse remained strong and competitive during the 2007/08 fiscal year. A total of 169 events were managed by staff with the assistance of the contracted caterer.

North Bank Lodge Operations

The popular North Bank Lodge continued to offer bookings for meetings and social events during 2007/08. A total of 93 bookings were recorded earning total revenues of \$19,000. During the summer of 2007, the entire area around the Lodge was newly landscaped and made more attractive.

Children's Playground

The children's playground located near the North Bank Lodge was improved during 2007/08 with the addition of several new play fixtures.

Demolition of Old Residence

A Commission rental property, located on Ridge Road, was demolished in October, 2007. This action was taken to ensure public safety and eliminate potential vandalism.

Pippy Park Special Events

The Pippy Park Promotions Committee and the Friends of Pippy Park, assisted by the Commission, continued to host the annual Pippy Park Summerfest and Winterfest events. These popular events helped to promote the various attractions and opportunities in Pippy Park. The Summerfest activities included dance performances, heritage and other displays while Winterfest included sliding, skiing and snowshoeing.

Walking Trails and Cross Country Skiing Programs

The network of walking trails throughout the Park improved during 2007/08 with numerous maintenance upgrades on all routes performed by the Grand Concourse Authority.

The Cross Country Ski Trail Program in the Park operated during the winter months of 2008 through partnership with the City of St. John's Recreation Department. Trails were groomed along the campground roads through the efforts of staff and volunteers from the Nordic Ski Club and a local sporting goods supply company, Outfitters Ltd.

PROGRESS of MISSION

The mission statement identifies the priority focus of the Commission over two planning cycles as reported in the Commission's 2007/08 Business Plan. It represents the key long-term result that the Commission plans to address. This statement also includes the measure and specific indicators that will assist both the entity and its stakeholders in monitoring and evaluating its success in achieving this mission. This mission was developed within the context and recognition of the current challenges facing the Park.

MISSION: By 2011, the Pippy Park Commission will have sustained the viability of the Park.

Measure: Sustained viability

Indicators:

- Improved financial position
- Increased public awareness/identity
- Prescriptive regulatory policies are implemented (eg. developmental, land use, signage, etc.)
- Improved quality of select recreational activities
- Improved recognition of the value of grounds maintenance
- Increased awareness of the regulatory policies to conserve the natural and cultural heritage of the Park.
- Improved infrastructure

PROGRESS ACHIEVED DURING 2007/08:

During the 2007/08 fiscal year a number of activities and initiatives were developed and implemented which will assist the Commission in fulfilling its overall mission. The Commission will continue to build on these initiatives and introduce new measures during the coming years so that by March 31, 2011 all indicators outlined as measurements of success are achieved. The following outlines the Commission's progress towards achieving its mission during the past year.

- The financial position of the Commission was improved through a combination of efforts ranging from increased revenue generation, particularly from Campground rate increases and infrastructure improvements, to the stricter adherence to administrative procedures aimed at reducing expenditures.
- The public awareness/identity of the Park was enhanced by increased advertising of the Golf and Campground facilities and rate specials. In addition, the Commission will seek commercial design services later in 2008 for signage and other promotional devices.
- The implementation of more prescriptive regulatory policies began with research and literature review of current similar policies from other jurisdictions. These results will form part of the background data for the 2008 Master Plan process.
- Recreation activity opportunities were improved through enhancements to the mini golf, North Bank Lodge, Campground and Golf facilities.

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- The value of the grounds maintenance operations was improved through the purchase of new equipment and completion of work assignments not covered under existing client service contracts.
 - Working with the Friends of Pippy Park and the Pippy Park Heritage Committee, Commission staff began preparing updated data files pertaining to the natural and cultural resources of the Park. In addition, the Commission purchased computer mapping software for the purpose of establishing an in-house Geographical Information System (GIS). The GIS will assist in the inventory of data relating to land administration and heritage resource management. This GIS data will form the basis for setting regulatory policies to conserve the natural and cultural heritage of the Park. Once these policies are in place, the Commission will take measures to effectively communicate them to the public through its Master Plan and other publications.
 - Improving infrastructure is an on-going activity within any business planning cycle. The Commission initiated a review of its existing physical plant with the aim of preparing a submission to Government of a multi-year capital improvement program commencing with the 2008/09 annual budgeting process.

PROGRESS ON GOALS:

In consideration of the Park's mission and mandate and the financial resources available to achieve this mission, the following specific areas have been identified as the key priorities to be addressed over the next year. The goals reflect the long term vision and mission of the Commission and specifically define the measures and indicators which will be used in monitoring and evaluating the Commission's success in achieving each goal over the next year.

Progress on the 2007/08 goal indicators for each of the following issues are listed below:

ISSUE 1: Financial Sustainability

To achieve its goal of Financial Sustainability, the Commission is committed to focusing on "own source" revenue generation to reduce its reliance on third party revenue and on "fiscal prudence" in the use of those financial resources available to it. Through these activities, the Commission will achieve a "stable" operating budget thereby allowing it to refocus its attentions.

Goal 1: By 2008, the C.A. Pippy Park Commission will have initiated processes to improve its financial positioning.

Measure: Initiated processes

Indicators:

- Trailer park facilities are expanded
- Trailer park rates are increased
- Improved management of golf courses and Commission operations

PROGRESS:

- The Campground capacity was expanded by the addition of a fourth campsite loop which added 30 full service pull through sites designed specifically for the touring RV market.

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- A new campsite overflow area was developed thus adding additional capacity during peak periods during the camping season.
 - The entrance to the campground was enhanced with the addition of new landscaping and an enclosed maintenance yard.
 - The exterior of the Admiral's Green Clubhouse was painted.
 - Landscaping was completed around the newly renovated North Bank Lodge facility.
 - Rates charged for full service and semi-serviced campsites increased by \$1/night; unserviced and overflow site rates were increased by \$2/night.
 - More efficient staff scheduling at the golf courses resulted in a reduction in total salary expenditures over the course of the operating season.
 - More stringent stock inventory and control procedures were initiated to reduce total expenditures on supplies and maintenance.
 - Ensuring that government procedures regulating the purchase of goods and services are being followed by staff of the Commission and the Golf Course subsidiary.
 - The number of management personnel at the Commission was increased in 2007/08 by the hiring of a professional landscape architect/park planner to fill the new position of Manager of Park Operations.

ISSUE 2: Signage

One of the key measures defined under the mission for the Park is "increased public awareness/identity". The Commission has defined "signage" as a core issue in establishing the boundaries of the Park to improve public recognition as part of an overall marketing strategy to improve awareness of identity. To this end, the Commission has defined "signage" as one of its main issues to be addressed over the next year.

Goal 2: By 2008, the C.A. Pippy Park Commission will have refined its signage policies.

Measure: Refine signage policies

Indicators:

- Signage policy is developed (including internal and third-party)
- Implementation of signage policy is initiated

PROGRESS:

- Due to a change over in management staff and the appointment of a new Executive Director, full achievement of this goal was delayed. While a new signage policy was not fully developed and implemented during the past year, considerable work on this item did take place during the later part of 2007/08. Commission staff conducted a preliminary review of all existing signage throughout the Park including the location, utility and design of all signs. As well, the Commission identified a number of items that will be included in their overall signage policies. Further, staff commenced work to ensure that the final development and implementation of signage policies will form an integral part of the Commission's 2008 Master Plan which shall be submitted to the Lieutenant Governor in Council for approval. The Commission will continue to work on the development and implementation of its signage policies during the coming months with a view to having fully achieved this goal prior to the end of this fiscal year.

ISSUE 3: Landscape and Grounds Maintenance

Another key indicator defined under the mission was the “improved recognition of the value of the grounds maintenance”. To address this issue, the Commission has committed to making the landscape maintenance a key goal for the upcoming fiscal year.

Goal 3: By 2008, the C.A. Pippy Park Commission will have worked with its clients to develop Level of Service Agreements for landscaping and grounds maintenance contracts in order to articulate work to be done, how and when it is to be done, and provide for formal evaluation of results.

Measure: Negotiations have taken place

Indicators:

- New service delivery program is developed and implemented
- New quality assurance program is implemented to measure the success of service delivery
- Quality assurance results are communicated periodically with customers

PROGRESS:

- During the reporting period Commission staff initiated regular discussions with representatives from its two service contract clients, the City of St. John’s and the Government of Newfoundland and Labrador (DTW). The results of those discussions included the implementation of the following procedures:
 - Quality assurance procedures were initiated that include weekly reports to our clients of the work scheduled and completed within the scope of the current Service Contract Agreement.
 - Procedures for the delivery of new services to clients, which are exclusive of current Service Contracts, were initiated and include: on-site consultations cost estimating and task monitoring during the tenure of the new scheduled work projects.
- Commission staff conducted a review of existing Service Contract Agreements. The purpose of the review was to update existing agreements so that they can reflect current standards within the grounds maintenance industry. This review shall be used to form the basis of new policy initiatives to address fee for service activity which shall be included in the Commission’s 2008 Master Plan.

ISSUE 4: Master Plan

The current 2003 Master Plan is subject to a five (5) year review in accordance with the *C.A. Pippy Park Act*. This means a review is necessary during the 2007/08 fiscal year. This plan and the process surrounding its development play a key role in defining the identity and key priorities of the Commission during the next five year cycle. The development of this plan, in concert with the business plan, has been recognized as a key issue for the Commission.

Goal 4: By 2008, the C.A. Pippy Park Commission will have initiated the development of the 2008 Master Plan.

Measure: Initiated Master Plan

Indicators:

- Current Master Plan is evaluated
- Process for development of 2008 Master Plan is determined

PROGRESS:

- During the fall of 2007, Commission staff reviewed and evaluated the current Master Plan to ensure that natural and cultural heritage data was relevant and current. A master Planning Process was compiled and approved by the Commission.
- Early in 2008, the Commission posted notices in the print media and on its website announcing the process to compile a new Master Plan and invited written comments from the public, interest groups and institutional partners.
- Comments received from this input solicitation effort were compiled and will be utilized in the development of the draft Master Plan document later in the 2008/09 reporting period.

ISSUE 5: Park Infrastructure

The Commission has recognized the deteriorating condition of much of its Park infrastructure over the last fifteen (15) years. Steps have been taken to address some of these issues and further steps will be required. The Commission has committed to establishing process to evaluate the condition of all infrastructures within the Park in order to establish priorities, set timeframes and identify resources available to address this issue.

Goal 5: By 2008, the C.A. Pippy Park Commission will have initiated processes to address the deteriorating infrastructure of the Park.

Measure: Initiated processes

Indicators:

- Current infrastructure is evaluated and priorities are identified.

PROGRESS:

- During the fall of 2007, Commission staff completed a survey of various infrastructure installations within the Park to determine their capital renewal threshold. The survey included the mini golf facility, utility services in existing campground campsite loops, campsite overflow area, headquarters building, playgrounds and trails.
- As part of the 2007/08 fiscal year budgeting process, a list of priority projects from those surveyed were included in the capital request submitted by the Commission. New capital funds were not granted by the Provincial Government, however, the Commission did manage to direct some funds from its operating revenues toward several of these projects. As outlined in Issue 1, the campground and North Bank Lodge projects were completed.

OPPORTUNITIES & CHALLENGES

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, the same amount as the previous year. Increased costs of fuel, supplies and building materials over the past year increased the difficulty of the Commission to operate within a balanced budget. In addition, anticipated salary and benefit increases in the 2008/09 fiscal year will add to overall operating expenses.
- 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. Most of these excess properties have now been completely sold, and this revenue source will soon be depleted. The sale of Commission property for the construction of the new YM-YWCA represents one of the last opportunities to generate revenue from land sales.
- A key challenge in realizing financial self sufficiency is the realization 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 significant 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 to be an ongoing challenge for the Park and the Commission.

Financial Statements

The following are Audited 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 2008. These statements have been compiled by management, in accordance with Canadian generally accepted accounting principles.



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

C.A. PIPPY PARK COMMISSION
CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2008



OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador


AUDITOR'S REPORT

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

I have audited the consolidated balance sheet of the C.A. Pippy Park Commission as at 31 March 2008 and the consolidated statements of revenues, expenses and surplus, and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Commission as at 31 March 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



JOHN L. NOSEWORTHY, CA
Auditor General

St. John's, Newfoundland and Labrador
8 July 2008

**C.A. PIPPY PARK COMMISSION
CONSOLIDATED BALANCE SHEET**

31 March

2008

2007

ASSETS

Current

Cash	\$ 694,126	\$ 597,452
Accounts receivable (Note 2)	69,492	63,899
Merchandise inventory - at the lower of cost and net realizable value	18,874	24,116
Prepaid expenses	25,005	18,717
Prepaid supplies	12,186	14,472

819,683 718,656

Capital assets (Note 3) 2,039,713 1,981,391

\$ 2,859,396 \$ 2,700,047

LIABILITIES AND EQUITY

Current

Accounts payable and accrued liabilities	\$ 162,751	\$ 238,691
Deferred revenue (Note 4)	84,205	90,251
Obligations under capital lease (Note 5)	35,268	59,584

282,224 388,526

Obligations under capital lease (Note 5) 136,184 11,791

Accrued severance pay 119,344 109,789

**Advance from Province of
Newfoundland and Labrador (Note 6)** 250,000 250,000

787,752 760,106

Equity

Unexpended capital funds (Note 7)	-	-
Surplus	2,071,644	1,939,941

2,071,644 1,939,941

\$ 2,859,396 \$ 2,700,047

Contingent liabilities (Note 8)

See accompanying notes

Signed on behalf of the Board:

Chairperson

Member

C.A. PIPPY PARK COMMISSION**CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND SURPLUS**

For the Year Ended 31 March

2008

2007

	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES			
Province of Newfoundland and Labrador (Note 9)			
Operating grant	\$ 350,000	\$ 350,000	\$ 350,000
Golf Course (Note 10)	683,517	815,500	756,625
Trailer park (Note 11)	395,359	392,000	349,267
Clubhouse (Note 12)	215,644	235,000	224,610
Services	194,347	190,000	186,902
Rental	58,247	56,400	55,503
Interest	20,282	-	38,500
Advertising	19,833	22,200	22,320
Gain on sale of capital assets	10,166	-	522
Miscellaneous	134	4,000	8,225
	<u>1,947,529</u>	<u>2,065,100</u>	<u>1,992,474</u>
EXPENSES			
Advertising and promotion	16,939	14,500	21,028
Amortization	269,533	-	262,486
Bank charges	28,691	28,000	33,861
Building maintenance	94,784	80,000	90,952
Course maintenance	56,691	65,000	37,908
Donation	-	1,000	293
Equipment maintenance	56,717	60,000	55,314
Fuel	62,918	80,000	66,508
Heat, light and telephone	139,531	130,000	125,905
Honoraria	1,610	7,500	1,260
Insurance	63,807	95,000	91,081
Interest on capital lease obligations	9,582	9,882	16,880
Miscellaneous	15,671	26,500	13,415
Office	13,157	14,900	15,963
Professional fees	31,179	24,000	41,906
Salaries and employee benefits	1,381,652	1,331,800	1,273,605
Supplies	38,993	46,500	38,218
Training	1,205	1,000	2,248
Travel	4,352	4,000	5,239
	<u>2,287,012</u>	<u>2,019,582</u>	<u>2,194,070</u>
Excess of revenues over expenses			
(expenses over revenues) from operations	(339,483)	45,518	(201,596)
Other revenues			
Property sales (Note 13)	471,186	-	83,373
Excess of revenues over expenses			
(expenses over revenues)	131,703	45,518	(118,223)
Surplus, beginning of year	1,939,941	1,939,941	2,058,164
Surplus, end of year	\$ 2,071,644	\$ 1,985,459	\$ 1,939,941

See accompanying notes

C.A. PIPPY PARK COMMISSION
CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 March

2008

2007

Cash flows from operating activities

Excess of revenues over expenses (expenses over revenues)	\$ 131,703	\$ (118,223)
Adjustment for non-cash items		
Amortization	269,533	262,486
Gain on sale of capital assets	(10,166)	(522)
	<u>391,070</u>	<u>143,741</u>
Changes in non-cash working capital		
Accounts receivable	(5,593)	4,878
Merchandise inventory	5,242	(17,999)
Prepaid expenses	(6,288)	18,424
Prepaid supplies	2,286	(4,683)
Accounts payable and accrued liabilities	(75,940)	49,081
Deferred revenue	(6,046)	6,091
	<u>(86,339)</u>	<u>55,792</u>
Increase in accrued severance pay	9,555	11,241
	<u>314,286</u>	<u>210,774</u>

Cash flows from investing activities

Additions to capital assets - purchased from operations	(171,671)	(244,496)
Additions to capital assets - purchased from unexpended capital funds	-	(65,886)
Additions to capital assets - purchased under capital lease	(164,150)	-
Sale of capital assets	18,132	9,878
	<u>(317,689)</u>	<u>(300,504)</u>

Cash flows from financing activities

Increase in capital lease obligations	164,150	-
Repayment of capital lease obligations	(64,073)	(127,271)
Repayment of demand loans	-	(299,784)
	<u>100,077</u>	<u>(427,055)</u>
Net increase (decrease) in cash	96,674	(516,785)
Cash, beginning of year	597,452	1,114,237
Cash, end of year	\$ 694,126	\$ 597,452

See accompanying notes

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
31 March 2008

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 6 January 2006 under Section 15 of 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.

1. Significant accounting policies

These consolidated financial statements have been prepared by the Commission's management in accordance with Canadian generally accepted accounting principles. The budget disclosed in these consolidated financial statements is presented on a cash basis. Outlined below are the significant accounting policies followed.

(a) Principles of consolidation

The consolidated financial statements include the assets, liabilities and equity 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.

(b) 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:

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

(ii) Many capital assets have been financed through capital grants from the Province of Newfoundland and Labrador. The expended portion of these grants has been deducted from the applicable capital assets on the consolidated balance sheet and amortization has been calculated on the net amount.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
31 March 2008

1. Significant accounting policies (cont.)

(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.

(c) Severance pay

Severance pay is calculated based on years of service and current salary levels for management employees of the Commission and those employees represented by the Newfoundland and Labrador Association of Public and Private Employees. The entitlement to severance pay vests after nine years of continual service, and accordingly no provision has been made in the accounts for employees with less than nine years of continual service. For employees of the Commission, the amount is payable when the employee ceases employment in the public service. If an employee of the Commission transfers to another entity included in the public service, then the liability is transferred with the employee to the other entity. For Golf Course employees represented by the Newfoundland and Labrador Association of Public and Private Employees the amount is payable when the employee ceases employment with the Corporation. Other Golf Course employees do not qualify for severance pay.

(d) 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.

(e) Inventory

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

2. Accounts receivable

	<u>2008</u>	<u>2007</u>
Trade	\$ 59,278	\$ 49,813
Harmonized sales tax	16,261	17,681
Accrued interest and other	3,488	5,940
	<u>79,027</u>	<u>73,434</u>
Less: allowance for doubtful accounts	9,535	9,535
Net accounts receivable	<u>\$ 69,492</u>	<u>\$ 63,899</u>

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
31 March 2008

3. Capital assets

	2008				2007
	<u>Cost</u>	<u>Capital Grants</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Park					
Land (Note 3(a) and 3(b))	\$ 6,035,850	\$ 6,030,728	\$ -	\$ 5,122	\$ -
Furniture and equipment	274,406	111,237	133,713	29,456	30,048
Vehicles	122,842	122,842	-	-	-
Equipment under capital lease	101,911	-	15,287	86,624	-
Buildings	898,920	701,084	124,353	73,483	81,649
Park improvements	1,369,518	959,928	97,307	312,283	217,315
Assets under construction	8,061	-	-	8,061	-
	8,811,508	7,925,819	370,660	515,029	329,012
Golf Course					
Land (Note 3(a) and 3(b))	1,809,696	1,809,696	-	-	-
Golf course improvements	1,345,507	99,999	285,126	960,382	1,058,668
Buildings	522,893	10,725	116,971	395,197	433,830
Equipment under capital lease	99,727	-	31,211	68,516	61,905
Furniture and equipment	277,984	34,662	142,733	100,589	97,976
	4,055,807	1,955,082	576,041	1,524,684	1,652,379
	\$ 12,867,315	\$ 9,880,901	\$ 946,701	\$ 2,039,713	\$ 1,981,391

(a) 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 and value of land

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. Therefore, capital grants received from the Province for the purchase of land have been deducted from the total cost of the land purchased.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
31 March 2008

4. Deferred revenue

	<u>2008</u>	<u>2007</u>
Golf course	\$ 59,776	\$ 60,333
Clubhouse	11,542	12,974
Trailer park	7,283	9,926
Advertising	5,263	7,018
Rental	341	-
	<u>\$ 84,205</u>	<u>\$ 90,251</u>

Golf course deferred revenue relates to golf packages and gift certificates sold during the fiscal year that relate to the 2008 golf season. Clubhouse deferred revenue relates to deposits received on Salon rentals for future periods. Trailer park deferred revenue relates to deposits received on reservations for the 2008 camping season. Advertising deferred revenue relates to the unamortized portion of a signing bonus received when the Golf Course signed a five year exclusive contract with a supplier in 2007. Rental deferred revenue relates to deposits received on reservations at the Northbank Lodge for future periods.

5. Obligations under capital lease

	<u>2008</u>	<u>2007</u>
Obligations under capital lease	\$ 171,452	\$ 71,375
Less: current portion	35,268	59,584
	<u>\$ 136,184</u>	<u>\$ 11,791</u>

Future minimum lease payments under capital leases are:

2009	\$ 47,172
2010	42,201
2011	48,578
2012	25,784
2013	<u>46,163</u>
	209,898
Less: interest portion of payments	<u>38,446</u>
	<u>\$ 171,452</u>

The capital leases are secured by equipment having a net book value of \$155,140.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
31 March 2008

6. 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.

7. Unexpended capital funds

The amounts recorded in previous years 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. These funds were exhausted during 2007 as follows:

	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ -	\$ 65,886
Less: purchases of capital assets	-	65,886
Balance, end of year	\$ -	\$ -

8. Contingent liabilities

- (a) On 18 August 2006, a Statement of Claim was served on the Commission by Dr. Anne 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 Golf Course. This matter is expected to be formally discontinued during the 2008 calendar year.
- (b) In 1997, a Statement of Claim was served on the Commission in dispute of conveyance of property situated at Nagle’s Place. The property, within the boundary of Pippy Park, was purchased in 1997 by the Department of Works, Services and Transportation (now the Department of Transportation and Works). After the owners passed away, there was a dispute over share of the estate between the remaining children. The status of the issue between the parties is unclear, even though this issue was dropped from the trial list by consent of the parties some time ago. This matter has not been formally closed and action has been initiated to formally discontinue this matter during the 2008 calendar year.

9. Related party transactions

- (a) During the year, the Commission received an operating grant of \$350,000 (2007 - \$350,000) from the Province.
- (b) Services and rental revenue includes revenues from the Province in the amount of \$160,146 (2007 - \$152,438) as a result of ongoing contracts.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
31 March 2008

10. Golf Course revenue

	<u>2008</u>		<u>2007</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Green fees	\$ 561,288	\$ 674,000	\$ 630,211
Rentals	117,848	130,000	117,570
	<u>679,136</u>	<u>804,000</u>	<u>747,781</u>
Proshop sales	24,991	30,000	28,095
Less: cost of goods sold	20,610	18,500	19,251
	<u>4,381</u>	<u>11,500</u>	<u>8,844</u>
	<u>\$ 683,517</u>	<u>\$ 815,500</u>	<u>\$ 756,625</u>

11. Trailer park revenue

	<u>2008</u>		<u>2007</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Registration fees	\$ 368,669	\$ 358,000	\$ 317,737
Mini golf	18,481	26,000	22,377
	<u>387,150</u>	<u>384,000</u>	<u>340,114</u>
Sales	28,794	26,000	27,518
Less: cost of goods sold	20,585	18,000	18,365
	<u>8,209</u>	<u>8,000</u>	<u>9,153</u>
	<u>\$ 395,359</u>	<u>\$ 392,000</u>	<u>\$ 349,267</u>

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
31 March 2008

12. Clubhouse revenue

	<u>2008</u>		<u>2007</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Salon rentals	\$ 45,840	\$ 40,000	\$ 46,339
Catering commissions	40,430	55,000	42,972
	<u>86,270</u>	<u>95,000</u>	<u>89,311</u>
Salon sales	225,288	245,000	231,584
Less: cost of goods sold	95,914	105,000	96,285
	<u>129,374</u>	<u>140,000</u>	<u>135,299</u>
	<u>\$ 215,644</u>	<u>\$ 235,000</u>	<u>\$ 224,610</u>

13. Property sales

	<u>2008</u>		<u>2007</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Property sales	\$ 471,186	\$ -	\$ 93,000
Less: Land development costs	-	-	7,371
Real estate commissions	-	-	2,256
	<u>-</u>	<u>-</u>	<u>9,627</u>
	<u>\$ 471,186</u>	<u>\$ -</u>	<u>\$ 83,373</u>

14. Pensions

Management staff and staff represented by the Newfoundland and Labrador Association of Public and Private Employees 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 these pension contributions for 2008 was \$45,809 (2007 - \$35,203).

Commission staff represented by the United Food and Commercial Workers' Union participate in the Canadian Commercial Workers' Industry Plan from which pensions will be paid to employees when they retire. Employee contributions are matched by the Commission and then remitted to the Canadian Commercial Workers' Industry Plan. The Commission's share of these pension contributions for 2008 was \$7,424 (2007 - \$7,145).

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
31 March 2008

15. Operating lease obligation

A vehicle has been leased for a three-year term commencing 1 July 2005. Minimum lease payments for the next year is as follows:

2009	\$ 1,167
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16. Financial instruments

The Commission's financial instruments recognized on the consolidated balance sheet consist of cash, accounts receivable, accounts payable and accrued liabilities, and obligations under capital lease. 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.

17. 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.

18. Measurement uncertainty

The preparation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year.

19. 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.

20. Comparative figures

Certain figures in the 2007 financial statements have been reclassified to conform with the basis of presentation used in 2008.

