

WASCANA CENTRE AUTHORITY
REGINA, SASKATCHEWAN
FINANCIAL STATEMENTS
March 31, 2012

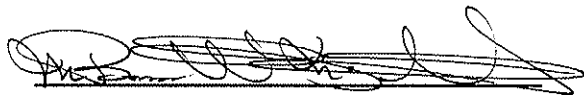
**MANAGEMENT'S RESPONSIBILITY FOR
FINANCIAL STATEMENTS**

The accompanying financial statements of Wascana Centre Authority have been prepared by the Organization's management in accordance with Canadian generally accepted accounting principles and necessarily include some amounts based on informed judgment and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, Virtus Group LLP, and their report is presented separately.



Bernadette McIntyre
Chief Executive Officer



Rachel Ratch, CMA
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

**To the Members,
Wascana Centre Authority**

We have audited the accompanying financial statements of **Wascana Centre Authority** which comprise the statement of financial position as at **March 31, 2012**, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at **March 31, 2012**, and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting as disclosed in note 2 to the financial statements.

June 28, 2012
Regina, Saskatchewan


Chartered Accountants

Wascana Centre Authority

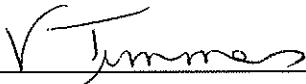
Statement of Financial Position


As at March 31, 2012 with comparative figures for 2011

Assets	2012	2011
Current assets:		
Cash and short term investments	\$ 2,290,298	\$ 1,885,699
Accounts receivable	405,338	284,166
Prepaid expenses	36,006	5,381
	<u>2,731,642</u>	<u>2,175,246</u>
Capital assets (note 3)	<u>3,275,074</u>	<u>3,056,222</u>
	<u>\$ 6,006,716</u>	<u>\$ 5,231,468</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,127,688	\$ 432,084
Deferred contributions (note 4)	916,462	863,558
	<u>2,044,150</u>	<u>1,295,642</u>
Deferred capital contributions (note 4)	441,958	441,240
Net assets		
Invested in capital assets	2,833,116	2,614,982
Restricted (note 6)	100,000	100,000
Unrestricted	587,492	779,604
	<u>3,520,608</u>	<u>3,494,586</u>
	<u>\$ 6,006,716</u>	<u>\$ 5,231,468</u>

See accompanying notes to the financial statements.

Approved by the Board:

Member 

Member 

Wascana Centre Authority

Statement of Changes in Net Assets

For the year ended March 31, 2012 with comparative figures for 2011

	Invested in capital assets	Restricted – special projects reserve	Unrestricted	2012	2011
Balance, beginning of year	\$ 2,614,982	\$ 100,000	\$ 779,604	\$3,494,586	\$3,480,411
Excess of revenues over expenses	---	---	26,022	26,022	14,175
Amortization	(284,899)	---	284,899	---	---
Capital asset additions, net	503,033	---	(503,033)	---	---
Balance, end of year	<u>\$ 2,833,116</u>	<u>\$ 100,000</u>	<u>\$ 587,492</u>	<u>\$3,520,608</u>	<u>\$3,494,586</u>

Wascana Centre Authority

Statement of Operations

For the year ended March 31, 2012 with comparative figures for 2011

Revenue:	2012	2011
Grants		
Government of Saskatchewan	\$ 3,138,500	\$ 3,098,000
City of Regina	1,754,909	1,801,000
University of Regina	727,555	675,600
Other	304,112	667,852
Service revenue	849,816	471,067
Rental revenue	141,940	114,991
General donations	27,558	37,988
Interest	22,429	9,361
Gain (loss) on asset disposal	22,317	(57,951)
Miscellaneous	22,246	25,915
	<u>7,011,382</u>	<u>6,843,823</u>
 Expenses:		
Salaries and benefits (note 7)	4,565,799	4,225,346
Contractual services and materials (note 7)	1,772,232	1,892,781
Amortization	284,899	358,392
Utilities	222,157	219,127
Insurance	140,273	134,002
	<u>6,985,360</u>	<u>6,829,648</u>
 Excess of revenue for the year	 <u>\$ 26,022</u>	 <u>\$ 14,175</u>

See accompanying notes to the financial statements.

Wascana Centre Authority

Statement of Cash Flows

Year ended March 31, 2012 with comparative figures for 2011

Cash provided by (used in):	2012	2011
Operating activities:		
Excess of revenue for the year	\$ 26,022	\$ 14,175
Items not involving cash:		
Amortization	284,899	358,392
Deferred capital contributions recognized	(61,282)	(52,188)
Loss (gain) on sale of assets	(22,317)	57,951
(Increase) decrease in accounts receivable	(121,172)	89,689
(Increase) decrease in prepaid expense	(30,625)	(663)
(Decrease) increase in accounts payable	695,604	(345,794)
(Decrease) increase in deferred contributions	52,904	208,426
	<u>824,033</u>	<u>329,988</u>
Investing activities:		
Capital asset additions	(542,649)	(279,322)
Capital asset sale proceeds	61,218	53,575
Deferred capital contributions received	62,000	115,610
	<u>(419,434)</u>	<u>(110,137)</u>
Increase (decrease) in cash and short term investments	404,599	219,851
Cash and short term investments, beginning of year	<u>1,885,699</u>	<u>1,665,848</u>
Cash and short term investments, end of year	<u>\$ 2,290,298</u>	<u>\$ 1,885,699</u>

See accompanying notes to the financial statements.

Wascana Centre Authority

Notes to the Financial Statements

Year ended March 31, 2012 with comparative figures for 2011

Note 1. Description of operations

On April 1, 1962 *The Wascana Centre Act* (the Act) established the Wascana Centre Authority (the Authority) as an incorporated government partnership for the operation of Wascana Centre (the Centre). The partners are the Government of Saskatchewan, the City of Regina, and the University of Regina. The partners appoint members to the Board of Directors of the Authority.

Under the Act, the Authority established a master plan for the Centre and ensures all developments are consistent with the plan; approves all exterior improvements, including buildings, facilities and landscape; establishes bylaws; provides special services; and undertakes construction and maintenance within the boundaries of the Centre.

The Authority is a registered charity within the meaning of the *Income Tax Act* (Canada) and is therefore exempt from income taxes. The Authority is also exempted from the Goods and Services Tax.

The Authority is economically dependent on the Government of Saskatchewan, the City of Regina, and the University of Regina.

The Act specifies annual minimum funding of \$781,550 from the Government of Saskatchewan; \$426,300 from the City of Regina; and \$213,150 from the University of Regina. The partners may provide additional grant funding or purchase contractual services and goods from the Authority.

The Act also specifies that from the annual minimum grant funding of the partners, a minimum of \$375,000 annual be directed towards landscape construction or restoration; construction or restoration of facilities on Authority land; or construction or restoration of facilities on partner land.

Developments within the Centre such as buildings, roadways, and landscaped areas are owned and are the responsibility of the titled landowner.

Wascana Centre Authority

Notes to the Financial Statements

Year ended March 31, 2012 with comparative figures for 2011

Note 2. Significant accounting policies

The financial statements have been prepared by management in accordance with public sector accounting standards for government not-for-profit organizations with the exception of the policy of the Authority to expense designated expenditures that would otherwise be capitalized.

Revenue recognition

The Authority follows the deferral method of accounting for contributions which include government grants and restricted donations. Where a portion of a grant or donation is restricted to fund certain expenditures, it is deferred and recognized in the period the related expenditure occurs.

Revenue from rents, the sale of goods and services, and general (unrestricted) donations and grants are recognized in the period earned.

Capital assets

Purchased or constructed assets are recorded at cost. Assets originally contributed by the partners at incorporation have been recorded at a nominal value of \$1. Specifically designated expenditures that are incurred for landscape construction on public land and construction of service facilities on Authority land or on land of the partners are expensed. For buildings and land improvements, the Authority only capitalizes assets for which it is the titled landowner.

Amortization is provided on the straight-line basis over the following periods:

Buildings and land improvements	10 to 20 years
Equipment	5 to 7 years
Vehicles	5 to 7 years
Office equipment	5 years

Works of art are not amortized, but capitalized and included with buildings and land improvements.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from the estimates.

Wascana Centre Authority

Notes to the Financial Statements

Year ended March 31, 2012 with comparative figures for 2011

Note 2. Significant accounting policies - continued

Financial instruments – Recognition and measurement

All financial instruments are designated and classified as one of the following: held to maturity, loans and receivables, held for trading, or available for sale and other liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in excess of revenues over expenses. Financial assets held-to maturity, loans and receivables and financial liabilities other than those held-for-trading are measured at amortized cost. Available for sale financial assets are measured at fair value with unrealized gains and losses recognized as separate component of net assets. Upon initial recognition any financial instrument may be designated as held-for-trading.

Note 3. Capital assets

	Cost	Accumulated Amortization	2012 Net Book Value	2011 Net Book Value
Assets from partners	\$ 1	\$ -	\$ 1	\$ 1
Land	1,669,894	-	1,669,894	1,669,894
Buildings and land improvements	4,643,331	4,053,638	589,693	630,840
Equipment	2,417,957	1,893,187	524,770	485,913
Vehicles	1,088,772	611,248	477,524	260,197
Office equipment	41,992	28,800	13,192	9,377
	<u>\$ 9,861,947</u>	<u>\$ 6,586,873</u>	<u>\$ 3,275,074</u>	<u>\$ 3,056,222</u>

Note 4. Deferred contributions

Deferred contributions represent restricted contributions, including those for landscape maintenance, landscape construction, specific projects, or designated donations carried forward from year to year. These amounts are externally restricted as a result of conditions associated with their receipt.

Major sources of restricted contributions are from the funding partners for landscape maintenance and statutory minimum landscape construction, as defined in the Wascana Centre Authority Act. These amounts were \$3,298,000 (2011 - \$2,948,000) from the Province of Saskatchewan, \$1,841,909 (2011 - \$1,651,000) from the City of Regina, and \$771,055 (2011 - \$675,600) from the University of Regina.

Wascana Centre Authority

Notes to the Financial Statements

Year ended March 31, 2012 with comparative figures for 2011

Note 4. Deferred contributions - continued

	Operating		Capital	
	2012	2011	2012	2011
Balance, beginning of year	\$ 863,558	\$ 652,087	\$ 441,240	\$ 377,818
Amounts received during the year	6,359,164	6,569,533	12,000	-
Transfers	(50,000)	(115,610)	50,000	115,610
Amounts recognized as revenue	(6,256,260)	(6,242,452)	(61,282)	(52,188)
Balance, end of year	<u>\$ 916,462</u>	<u>\$ 863,558</u>	<u>\$ 441,958</u>	<u>\$ 441,240</u>

The deferred contributions for Operating consist of \$ 504,478 (2011 – \$417,380) for eligible landscape construction expenses, \$9,727 (2011 - \$33,428) for Waterfowl Park initiatives, \$241,523 (2011 – nil) for the Queen Elizabeth II Gardens, \$82,171 (2011 – nil) for the Comprehensive Review, and \$80,600 (2011 – nil) for the 50th Anniversary. Within landscape construction the Board has restricted \$59,448 (2011 – \$59,448) for Fine Arts and \$119,927 (2011 – \$99,927) for the Master Plan.

Note 5. Credit facilities

The Authority has credit agreements with its bank for the following:

- \$450,000 of overdraft protection, with a current balance of nil (2011 – nil).
- \$40,000 limit in credit card purchases.

Note 6. Restricted net assets

The Board has designated \$100,000 as a Special Projects Reserve. The Reserve may be used for any purpose approved by the Board.

Note 7. Expense allocations

	Salaries and benefits		Contractual services and materials	
	2012	2011	2012	2011
Maintenance	\$ 1,841,048	\$1,444,276	\$ 547,615	\$ 460,815
Horticulture & Forestry	1,070,940	807,417	121,157	163,615
Engineering	439,542	433,659	226,426	120,574
Community Relations	337,861	228,059	89,447	72,762
Administration	516,141	755,654	107,594	163,536
Landscape Construction & Services	360,267	556,281	679,993	911,479
	<u>\$ 4,565,799</u>	<u>\$ 4,225,346</u>	<u>\$ 1,772,232</u>	<u>\$ 1,892,781</u>

Insurance recoveries of nil (2011- \$40,230) are netted against the related incurred expenditures.

Wascana Centre Authority

Notes to the Financial Statements

Year ended March 31, 2012 with comparative figures for 2011

Note 8. Commitments

At March 31, 2012, the contractual commitments for consulting services, to be received by the Authority, were \$354,390 (2011 – nil).

Note 9. Related party transactions

Included in these financial statements are revenues and expenditures resulting from routine operating transactions with various agencies and departments of the partners.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related parties that have significant influence over the Authority are the partners (Government of Saskatchewan, City of Regina, and the University of Regina) and their controlled entities. The Authority had the following transactions with related parties:

	2012	2011
Revenues	\$6,468,717	\$5,969,609
Expenses	\$ 456,912	\$ 444,473

At the end of the year, the related party amounts included in the balance sheet are as follows:

Receivables	\$ 388,956	\$ 173,904
Prepays	\$ 32,408	\$ 5,381
Payables	\$ 404,083	\$ 158,703
Deferred revenues	\$ 878,171	\$ 412,750

Wascana Centre Authority

Notes to the Financial Statements

Year ended March 31, 2012 with comparative figures for 2011

Note 10. Financial risk management

WCA is exposed to various risks through financial instruments. WCA's financial instruments and the nature of the risk which they may be subject to are as per the following descriptions.

Credit risk

The Authority determines amounts receivable based on collectability. Credit risk on receivables from funding partners and other public sector entities is considered low and no allowances have been made. Other revenue receivable of \$16,382 (2011 - \$33,768) has an allowance of nil (2011 - \$15,000).

Liquidity risk

WCA manages its liquidity risk by monitoring projected and actual cash flows, accounts receivable management, and use of a short term bank overdrafts which are settled upon receipt of grants or service revenues.

Note 11. Pension plan

The Authority makes contributions to a defined contribution plan and a defined benefit plan. The defined benefit plan is administered by the Province of Saskatchewan who also guarantees all future benefit payments. Enrolments in the defined benefit plan ceased in 1977, and all subsequent enrolments were in the defined contribution plan. Payments to the defined benefit plan were \$2,693 (2011 - \$4,146) and payments to the defined contribution plan were \$511,106 (2011 - \$465,308) and are included in the expenses in the Statement of Operations.

Note 12. Capital disclosures

The Authority's capital consists of its net assets. In order to preserve its capital WCA takes measures such as preparation and monitoring of annual budgets. This objective remained unchanged from the prior period. WCA is economically dependent on the funding partners.

Wascana Centre Authority

Notes to the Financial Statements

Year ended March 31, 2012 with comparative figures for 2011

Note 13. Guarantees

In the normal course of business, the Authority enters into agreements that meet the definition of a guarantee.

Indemnity has been provided to all directors and officers of the Authority and has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. Further, in the normal course of business the Authority has entered into agreements that include indemnities in favour of third parties such as confidentiality agreements, engagement letters with consultants, and other various service and purchase agreements. Historically, the Authority has not incurred any costs as a result of any such suits, actions, or agreements. The maximum amounts of any potential future payment cannot be reasonably estimated and no amounts have been recorded in the financial statements.

Note 14. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation in the current year.

Note 15. Adoption of public sector accounting standards

Effective April 1, 2011, the Authority adopted public sector accounting standards (PSA). These are the Authority's first financial statements prepared in accordance with these accounting standards and the transitional provisions of Section 2125 First-time Adoption have been applied. Section 2125 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policy note have been applied in preparing the financial statements for the year ended March 31, 2012 and the comparative information presented in these financial statements for the year ended March 31, 2011.

The Authority issued financial statements for the year ended March 31, 2011 using generally accepted accounting principles prescribed by CICA Handbook – Accounting XFI. The adoption of PSA had no impact on the previously reported assets, liabilities and net assets of the Authority and accordingly, no adjustments have been recorded in the comparative statement of financial position and the statements of operations, changes in net assets and cash flows. In addition, as no changes were required, an opening PSA balance sheet at April 1, 2011 (the Authority's date of transition) has not been presented.