

**WASCANA CENTRE AUTHORITY**

**REGINA, SASKATCHEWAN**

**FINANCIAL STATEMENTS**

**March 31, 2011**

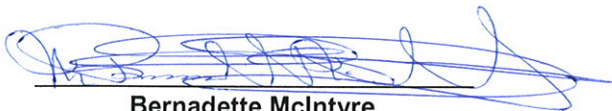
## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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, 2011**, and the statements of operations and 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 Canadian generally accepted accounting principles, 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 Organization'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 Organization'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, 2011**, 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, 2011  
Regina, Saskatchewan

*Virtus Group LLP*  
Chartered Accountants

# Wascana Centre Authority

## Statement of Financial Position

As at March 31, 2011, with comparative figures for 2010

	2011	2010
<b>Assets</b>		
Current assets:		
Cash and term deposits	\$ 1,885,699	\$ 1,665,848
Accounts receivable	284,166	373,855
Prepaid expenses	5,381	4,718
	<u>2,175,246</u>	<u>2,044,421</u>
Property, plant and equipment (note 4)	<u>3,056,222</u>	<u>3,246,818</u>
	<u>\$ 5,231,468</u>	<u>\$ 5,291,239</u>

## Liabilities and Participating Parties' Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 432,084	\$ 777,878
Deferred revenue	412,750	3,045
Deferred landscape construction contributions (note 5)	450,808	652,087
	<u>1,295,642</u>	<u>1,433,010</u>
Deferred capital contributions (notes 5 & 6)	441,240	377,818
Net assets:		
Investment in property, plant and equipment (note 6)	2,614,982	2,869,000
Special projects reserve (note 7)	100,000	100,000
Unrestricted surplus assets	779,604	511,411
	<u>3,494,586</u>	<u>3,480,411</u>
	<u>\$ 5,231,468</u>	<u>\$ 5,291,239</u>

See accompanying notes to the financial statements.

Approved by the Authority:

Member



Member



# Wascana Centre Authority

## Statement of Changes in Net Assets

Year ended March 31, 2011, with comparative figures for 2010

	Investment in property, plant, and equipment	Special projects reserve	Unrestricted surplus assets	2011	2010
Balance, beginning of year	\$ 2,869,000	\$ 100,000	\$ 511,411	\$ 3,480,411	\$ 3,178,709
Excess of revenue for the year	-	-	14,175	14,175	\$ 301,702
Net change in investment in property, plant and equipment (note 6)	(254,018)	-	254,018	-	-
Balance, end of year	<u>\$ 2,614,982</u>	<u>\$ 100,000</u>	<u>\$ 779,604</u>	<u>\$ 3,494,586</u>	<u>\$ 3,480,411</u>

See accompanying notes to the financial statements.

# Wascana Centre Authority

## Statement of Operations

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
<b>Revenue:</b>		
Government of Saskatchewan		
Statutory grant	\$ 791,000	\$ 779,831
Maintenance grant	2,307,000	2,166,450
Saskatchewan Capital Commission	-	600,000
City of Regina		
Statutory grant	426,300	425,362
Maintenance grant	1,374,700	1,224,700
University of Regina		
Statutory grant	213,150	269,130
Maintenance grant	462,450	423,550
Other operating revenue (Schedule 1)	911,864	1,396,160
	<u>6,486,464</u>	<u>7,285,183</u>
<b>Expenses:</b>		
Landscape construction (Schedule 2)	1,249,331	1,253,006
Landscape maintenance (Schedule 3)	1,030,114	1,286,071
Service maintenance (Schedule 3)	943,829	948,946
Equipment costs, employee benefits and supervision (Schedule 3)	1,775,820	1,798,366
Specialized services (Schedule 4)	1,114,803	1,426,812
Amortization	358,392	270,280
	<u>6,472,289</u>	<u>6,983,481</u>
<b>Excess of revenue for the year</b>	<u>\$ 14,175</u>	<u>\$ 301,702</u>

See accompanying notes to the financial statements.

# Wascana Centre Authority

## Statement of Cash Flows

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Cash provided by (used in):		
Operating activities:		
Excess of revenue for the year	\$ 14,175	\$ 301,702
Items not involving cash:		
Amortization	358,392	270,280
Capital grant revenue recognized	(52,188)	(52,188)
Loss (gain) on sale of property, plant and equipment	57,951	(17,329)
(Increase) decrease in accounts receivable	89,689	(331,260)
(Increase) decrease in prepaid expenses	(663)	2,322
(Decrease) increase in accounts payable	(345,794)	508,045
Increase in deferred revenue	409,705	-
(Decrease) increase in deferred landscape construction contributions	(201,279)	445,595
	<u>329,988</u>	<u>1,127,167</u>
Investing activities:		
Purchase of property, plant and equipment (note 6)	(279,322)	(357,366)
Proceeds on sale of property, plant and equipment	53,575	17,329
Deferred capital grant received	115,610	-
	<u>(110,137)</u>	<u>(340,037)</u>
Increase (decrease) in cash and term deposits	<u>219,851</u>	<u>787,130</u>
Cash and term deposits, beginning of year	1,665,848	878,718
Cash and term deposits, end of year	<u>\$ 1,885,699</u>	<u>\$ 1,665,848</u>

See accompanying notes to the financial statements.

# Wascana Centre Authority

## Notes to the Financial Statements

Year ended March 31, 2011, with comparative figures for 2010

### Note 1. Description of operations

On April 1, 1962, *The Wascana Centre Act* (the "Act") was passed unanimously by the Saskatchewan Legislature. By this Act, the Wascana Centre Authority (the "Authority") was established as a statutory corporate body for the operation of Wascana Centre (the "Centre"). The Government of Saskatchewan (the "Government"), the City of Regina (the "City") and the University of Regina (the "University"), usually referred to as "Participating Parties", became partners in the Wascana Centre Authority.

Under the powers of the Act, the Authority establishes a master plan for the Centre and ensures all developments are consistent with the plan; approves all exterior improvements, including building, service facility and landscape improvements; establishes bylaws; provides special services; undertakes landscape construction and maintains the grounds within the boundaries of the Centre.

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

The Authority is economically dependant on the Participating Parties and is financed as follows:

#### *Statutory grants*

These funds are provided for in Section 53 of the Act, on the shared basis of 55% by the Government, 30% by the City and 15% by the University to provide the necessary funding for the administrative and general operating expenses of the Authority. The Act also provides that no less than \$375,000 of this amount be directed towards landscape construction and service facility construction and restoration on Authority owned land, and service facility construction on land of a Participating Party when the service facility construction is deemed to be of mutual benefit to the three Participating Parties, pursuant to Section 30 of the Act.

#### *Operating grants*

Beyond the statutory contribution, operating grants are provided by each of the Participating Parties based on land ownership.

To maintain uniformity throughout the Centre, unit operating costs are established pursuant to Section 37 of the Act and applied as standards for landscape and service maintenance. This ensures that each of the Participating Parties pays its fair share of operating costs for lands located within the Centre, the title for which is held by the respective Participating Parties.

Developments such as buildings, roadways and landscaped areas are the responsibility of the landowner holding title to such developments.



# Wascana Centre Authority

## Notes to the Financial Statements

Year ended March 31, 2011, with comparative figures for 2010

### Note 2. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting standards 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 donations. Where a portion of an operating grant relates to a future period, it is deferred and recognized in the related period. Grants to assist with the financing of capital asset additions are recorded as deferred contributions. The portion of the grant equivalent to the annual amortization expense of the related asset is recognized annually as income.

Revenue from fees, contracts and sale of goods and services are recognized when the services are provided or the goods are sold.

#### *Property, plant and equipment*

Purchased assets are recorded at cost. Property, plant and equipment originally contributed by the Participating Parties 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 Participating Parties are expensed. Works of art are not amortized, but capitalized and included with buildings and land improvements.

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

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

#### *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 amounts 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 those estimates.

#### *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 a separate component of net assets. Upon initial recognition any financial instrument may be designated as held-for-trading.

# Wascana Centre Authority

## Notes to the Financial Statements

Year ended March 31, 2011, with comparative figures for 2010

### Note 3. Future accounting changes

Pursuant to standards established by the Public Sector Accounting Board (PSAB), the Corporation is classified as a government not-for-profit organization.

PSAB has issued Public Sector Accounting (PSA) Handbook sections PS 4200 to PS 4270, which incorporate the existing Canadian Institute of Chartered Accountants (CICA) standards for not-for-profit organizations into the PSA Handbook. PSAB also amended the Introduction to Public Sector Accounting Standards, to require that government not-for-profit organizations adopt the standards in the PSA Handbook for financial statements relating to fiscal periods beginning on or after January 1, 2012. Management is evaluating the impact of these changes.

### Note 4. Property, plant and equipment

	Cost	Accumulated Amortization	2011 Net Book Value	2010 Net Book Value
Assets from Participating Parties	\$ 1	\$ -	\$ 1	\$ 1
Land	1,669,894	-	1,669,894	1,669,894
Building	4,643,331	4,012,491	630,840	557,716
Equipment	2,458,101	1,972,188	485,913	725,284
Vehicles	898,328	638,131	260,197	250,436
Office furniture	40,668	31,291	9,377	43,487
	<u>\$ 9,710,323</u>	<u>\$ 6,654,101</u>	<u>\$ 3,056,222</u>	<u>\$ 3,246,818</u>

### Note 5. Deferred landscape construction contributions

Deferred contributions represent unspent statutory grants for landscape construction carried forward from year to year, unspent capital contributions from funding agencies for specific projects, as well as donations received from the public designated for specific purposes. These amounts are externally restricted as a result of conditions associated with their receipt. Within these external requirements, the Board has designated these amounts to be spent on Landscape Construction (\$257,975), Fine Arts (\$59,448), Master Plan (\$99,957) and Waterfowl Park (\$33,428) initiatives.

	2011	2010
Balance, beginning of year	\$ 652,087	\$ 206,492
Add: Amounts received during the year	1,048,052	1,520,815
Less: Amounts recognized as revenue during the year	(1,249,331)	(1,075,220)
Balance, end of year	<u>\$ 450,808</u>	<u>\$ 652,087</u>

# Wascana Centre Authority

## Notes to the Financial Statements

Year ended March 31, 2011, with comparative figures for 2010

### Note 6. Investment in property, plant and equipment

Investment in property, plant and equipment is calculated as follows:

	2011	2010
Property, plant and equipment, beginning of year	\$ 3,246,818	\$ 3,159,732
Purchase of property, plant and equipment	279,322	357,366
Net book value of property, plant and equipment disposed	(111,526)	-
Amortization of property, plant and equipment	(358,392)	(270,280)
Property, plant and equipment, end of year	<u>\$ 3,056,222</u>	<u>\$ 3,246,818</u>
Deferred capital contributions, beginning of year	\$ 377,818	\$ 430,006
Deferred capital contributions, received	115,610	-
Capital contributions recognized	(52,188)	(52,188)
Deferred capital contributions, end of year	<u>\$ 441,240</u>	<u>\$ 377,818</u>
Net investment in property, plant, and equipment	<u>\$ 2,614,982</u>	<u>\$ 2,869,000</u>

### Note 7. Special Projects Reserve

During 2008/09, the Board designated \$100,000 as a Special Projects Reserve. The Reserve may be used for any purpose approved by the board.

### Note 8. Related-party transactions

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

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. The Authority had the following transactions with related parties:

	2011	2010
Expenses:		
Service maintenance	\$ 230,743	\$ 247,060
Indirect costs	156,126	179,517
Specialized services	57,604	74,297
Amounts included in the statement of financial position:		
Accounts receivable	\$ 173,904	\$ 287,793
Prepaid expenses	5,381	-
Accounts payable	158,703	36,943
Deferred revenue	412,750	-

During the year, the Authority incurred expenses of \$220,996 (2010 - \$825,610) for services provided to the Participating Parties and outside agencies on a contractual basis that were fully recovered from the Participating Parties and outside agencies.

# Wascana Centre Authority

## Notes to the Financial Statements

Year ended March 31, 2011, with comparative figures for 2010

### Note 9. Financial instruments

#### Fair Value:

The fair value of the Authority's cash and term deposits (classified as held for trading), accounts receivable (classified as loans and receivables), and accounts payable (classified as other liabilities) approximate their carrying amounts due to their short term nature.

#### Credit Risk:

The Authority is exposed to credit risk on the accounts receivable from its customers. In order to reduce its credit risk, the Authority has adopted credit policies, which include the regular review of their credit limits. The Authority incurred insignificant bad debt expense during the past three years.

### Note 10. Capital disclosures

Capital of the Authority includes its net assets. The Authority's objective when managing capital is to meet its current objectives as set out within its current strategic operating plan within its annual operating budget. This objective has remained unchanged from the prior period. Capital is not restricted except as otherwise disclosed in these financial statements.

# Wascana Centre Authority

## Schedule 1 - Other Operating Revenue

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Other grant revenue	\$ 615,664	\$ 1,056,374
Service maintenance contracts	146,760	129,862
Rent	86,066	80,675
Capital grant revenue	52,188	52,188
Miscellaneous	45,639	29,049
Ferry boat revenue	11,512	17,329
Interest	9,361	2,132
Parking ticket revenue	2,625	5,662
Art gallery gross profit	-	329
Gain (loss) on sale of capital assets	(57,951)	22,560
	<u>\$ 911,864</u>	<u>\$ 1,396,160</u>

## Schedule 2 - Landscape Construction

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Broad Street Pedestrian Bridge & Trail	\$ 528,107	\$ 466,838
Candy Cane Playground Phase 2	171,840	24,504
Wascana Rehabilitation Playground	160,466	109,471
Wascana Place Enhancements	107,506	-
Lower Marina Play Area	68,708	6,636
Candy Cane Parking Lot	63,993	291,945
Candy Cane Playground Phase 1	56,543	171,130
Furnace Replacements	29,943	30,087
Greenhouse Repairs	21,431	-
Benches and Amenities	13,240	7,802
Traffic Signage	9,203	447
Ski Trails	9,200	-
Candy Cane Parking Lot Design	2,922	1,118
Chemical Storage	2,881	-
Waterfowl Park	2,692	877
Fuel Distribution System	346	-
Candy Cane Playground Design	166	9,141
Cross Country Ski Trails	145	-
Broad Street Approaches-Landscape Improvements	-	34,307
Globe Light Refit Program	-	31,342
Landscape Repairs - Albert Street Promenade	-	30,920
Wascana Drive Rehabilitation Phase 1 Design	-	18,889
U of R/SIAST/SK Learning-Turf Repair	-	9,367
Mechanics Storage Facility	-	8,014
Pump Rehabilitation	-	110
Trees/Plant Materials	-	61
	<u>\$ 1,249,331</u>	<u>\$ 1,253,006</u>

# Wascana Centre Authority

## Schedule 3 - Landscape Maintenance, Service Maintenance and Indirect Costs

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
<b>Landscape Maintenance</b>		
Salaries:		
Irrigated turf	\$ 434,128	\$ 465,148
Trees and shrubs	211,043	288,984
Flowers, bedding plant, nursery	109,163	120,287
Picnic sites, park furniture, amenities	54,365	68,350
Unimproved	41,353	37,619
Playing fields	37,149	40,036
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	887,201	1,020,424
 Materials	 142,913	 265,647
	<hr/>	<hr/>
	\$ 1,030,114	\$ 1,286,071
 <b>Service Maintenance</b>		
Salaries:		
Snow removal	\$ 232,814	\$ 176,476
Survey, engineering	77,677	68,436
Buildings and washrooms	66,613	68,156
Roads, lighting and signs	34,171	36,024
Striping and sweeping	7,049	17,945
	<hr/>	<hr/>
	418,324	367,037
 Building repair and maintenance - materials	 188,013	 191,201
Utilities	184,218	235,756
Insurance	89,290	77,932
Supplies and materials	63,985	77,020
	<hr/>	<hr/>
	525,505	581,909
	<hr/>	<hr/>
	\$ 943,829	\$ 948,946
 <b>Equipment Costs, Employee Benefits and Supervision</b>		
Equipment maintenance:		
Salaries	\$ 161,228	\$ 163,972
Gas, oil and grease	131,756	119,019
Miscellaneous repairs and materials	100,985	116,937
Registration and insurance	44,713	47,067
Cost recoveries	(63,955)	(56,479)
	<hr/>	<hr/>
	374,727	390,516
 Employee benefits (net of cost recoveries of \$73,115; 2010 - \$59,078)	 1,052,810	 1,024,768
 Supervisory salaries	 348,283	 383,082
	<hr/>	<hr/>
	\$ 1,775,820	\$ 1,798,366

# Wascana Centre Authority

## Schedule 4 - Specialized Services

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Greenhouse:		
Salaries	\$ 57,150	\$ 98,632
Materials	30,106	28,756
	<u>87,256</u>	<u>127,388</u>
Special Constables:		
Salaries	58,517	218,510
Uniforms, radios and other	5,683	8,304
Vehicle operation and rental	5,325	18,203
	<u>69,525</u>	<u>245,017</u>
Public relations:		
Salaries	167,661	169,729
Information and committee programs	43,747	77,213
Display ponds	9,012	3,178
Art gallery and gift shop expense	2,249	4,897
	<u>222,669</u>	<u>255,017</u>
Administration:		
Salaries	566,524	596,588
Data processing	41,145	60,281
Photocopying and supplies	31,027	30,328
Training and travel	28,951	19,822
Telephone	23,080	27,331
Regulatory and consulting	20,407	27,184
Audit	9,384	11,224
Postage and courier services	5,843	7,976
Honoraria and association fees	5,621	6,720
Reference books and subscriptions	2,576	2,203
Legal expenses	795	9,733
	<u>735,353</u>	<u>799,390</u>
	<u>\$ 1,114,803</u>	<u>\$ 1,426,812</u>