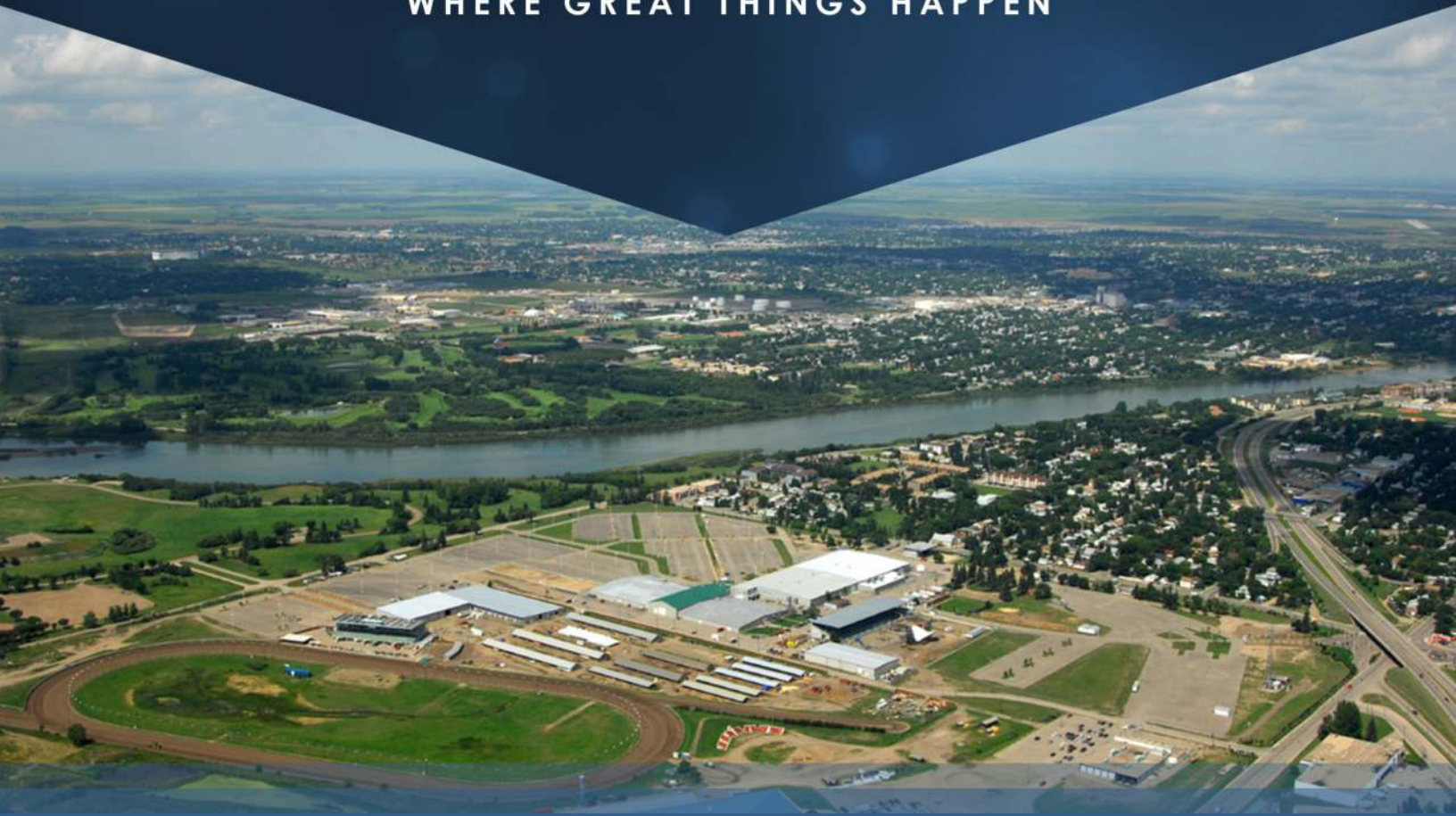


PrairieLand Park

WHERE GREAT THINGS HAPPEN



2018 ANNUAL REPORT

Saskatoon PrairieLand Park Corporation

Saskatoon Prairieland Park Corporation

2018 Annual Report

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VISION

To be a world-class destination for premiere events and entertainment.

MISSION

To produce, host and facilitate extraordinary events through superior first-rate customer service and facilities.

VALUES

- Operational excellence
- Provision of high quality facilities
- Ethical and honest governance
- Fiscal responsibility
- Environmental stewardship
- Responsive to community needs
- Maintenance of a safe environment

Prairieland
*P*ark

WHERE GREAT THINGS HAPPEN

MESSAGE FROM THE CHAIR OF THE BOARD

2018 will go down as another successful year, even in the face of a slowing economy. This represents the 25th consecutive year of positive results. These results are in stark contrast to our sister organizations in Western Canada. Well done Saskatoon Prairieland Park Corporation.

One of the major highlights in 2018 was being designated a World Trade Center location. Prairieland Park is the only location in Saskatchewan with that distinction. Being designated as a World Trade Center recognizes the quality venues this organization provides to citizens in the Saskatoon area.

In order to achieve our mission statement, this organization must continue to upgrade our facilities so that we can honestly say our goal is to produce, host and facilitate events with superior first rate customer service and facilities. Last year was no exception as two major upgrades were completed. The Ruth Street entrance was overhauled to not only improve the flow of traffic but also to enhance the visibility of Prairieland Park. The second significant upgrade was to the Main Trade Center entrance.

Although 2018 was a successful year, the organization still struggled with the same issues as years past. Those areas were: obtaining funding assistance for a new building and struggles with horse racing at Marquis Downs. Efforts to obtain funding assistance for a new building from the various levels of government will continue to be a priority of this organization. Horse racing is an important part of Prairieland. It is an entertaining venue that is loved by many. Unfortunately, off-track wagering is down dramatically, and due to that, SPPC has continued to subsidize racing for the past many years.

I would like to thank the Board of Directors for their hard work this past year. With the lower number of directors, many were asked to handle extra responsibilities. Dwight Buchholz's term on the board concludes at the Annual Meeting. Dwight has given nine years to

SPPC, acting as committee chair for Audit/ Finance, Governance/Membership and Site Development. We thank Dwight for his service and dedication.

Sadly, I note the passing this year of SPPC's newest director, Bev Johnson. Although her time on the board was short; her knowledge, strength and courage left a lasting mark on all of the directors.

As directors, it is our responsibility to ensure this organization stays on the straight path of success. This task is easy when we have Mark Regier and his staff at the helm. Mark and his dedicated team continue to respond to the needs and challenges of the industry.

Finally, I want to thank you as members of this organization for your support as volunteers and ambassadors spreading the word of how great this organization is.



Don Hrapchak - Chair

SASKATOON PRAIRIELAND PARK CORPORATION BOARD OF DIRECTORS

OFFICERS

Chair - Don Hrapchak
Vice-Chair - Curtis Gulka
Past Chair - Brian Rossnagel
Audit/Finance Chair - Steve Chisholm
Governance/Membership Chair - Lou Hammond Ketilson
Site Development Chair - Tracy Arno
Chief Executive Officer - Mark Regier
Chief Financial Officer - Dan Kempainen
Executive Assistant - Korilee Burgess
Auditors - Deloitte



Back Row: Keith Moen, Steve Chisholm, Mark Regier (Chief Executive Officer), Troy Davies (City of Saskatoon Representative).
Middle Row: Korilee Burgess (Executive Assistant), Tracy Arno, Cory Thoms, Dwight Buchholz, Lou Hammond Ketilson, Bev Johnson.
Front Row: Brian Rossnagel (Past Chair), Don Hrapchak (Chair), Curtis Gulka (Vice-Chair).

CHIEF EXECUTIVE OFFICER REPORT

PrairieLand Park is a “happening” place with numerous events being held most days of the year. In fact there are only two days of the year (December 24 & 25) when the park is completely dark. That’s 363 days we’re open for business. Whether it’s Marquis Downs Race Track, PrairieLand Park Ag Center, Sports on Tap or the World Trade Center complex, the park is a going concern.

The Corporation is structured with four major divisions; Marquis Downs thoroughbred horse racing and three provincial off-track teletheatres, World Trade Center Saskatoon Trade & Convention Center; Agriculture and Special Events. All divisions are busy producing events throughout the year. We pride ourselves in operating most service departments in-house. These departments include food & beverage, audio visual, operations, park maintenance, electrical and mechanical services. Operating in-house significantly improves the corporation’s financial performance as well as gives management direct control over product quality and service delivery. This strategy does, however, require a lot of extra work on behalf of the Management team. It also requires the employment of an average of 340 employees throughout the year. I commend the entire management team for the dedication and service delivered while working many evenings and weekends.

Challenges with extreme heat during the 2018 Saskatoon Ex resulted in a decrease in overall attendance and gate sales this year. However, with the exception of investment losses, the corporate financial performance is healthy. PrairieLand Park is proud to fund its capital improvements with cash from earned income rather than reliance on government grants. 2019 looks to be an exciting year at the park with many new unique shows and events

taking place. Stay tuned for announcements of upcoming new capital improvements happening this year.

I would like to thank the membership and Board of Directors for the steadfast support received this past year.



Mark Regier - CEO

PRAIRIELAND PARK MANAGEMENT TEAM



Mark Regier
Chief Executive Officer

Leads the Corporation to ensure success and financial stability.



Korilee Burgess
Executive Assistant

Assists with the Board of Directors, manages the corporate events planning, the membership, Human Resources and Office Manager.



Dan Kempainen
Chief Financial Officer

Oversees the management of the Finance, Food & Beverage, and Sports on Tap departments.



Allan Sorowski
Director - Facilities & Operations

Oversees the management of the Operations Department and all facility and park development.



Jay Boechler
Manager - A/V Production



Mike Kirkham
Manager - Sports on Tap



Lori Cates
Manager - Agriculture



Susan Kuzma
Manager - Special Events



Rick Fior
Manager - Racing



Caroline Laird
Manager - Rentals



Jason Hynd
Manager - Corporate Sales & Sponsorship



Sharon Odnokon
Manager - Food & Beverage



Shawn Irwin
Controller



Kristy Rempel
Manager - Marketing

PRAIRIELAND PARK ADMINISTRATION

Executive Office

Mark Regier - Chief Executive Officer
Korilee Burgess - Executive Assistant

Reception

Tara Lavoie - Office Administrator
Shirlee Olekson - Office Administrator

Finance Department

Dan Kempainen - Chief Financial Officer
Shawn Irwin - Controller
Lisa Harms - Payroll Administrator
Barry Podhorodeski - Staff Accountant
Brett Smith - IT & Financial Systems Administrator
Leica Carlson - Accounts Payable/Receivable
Amy Schindelka - Staff Accountant

Corporate Sales & Sponsorship

Jason Hynd - Manager - Corporate Sales & Sponsorship

Sports on Tap

Mike Kirkham - Manager - Sports on Tap

Agriculture Department

Lori Cates - Manager - Agriculture
Leigh Ann Hurlburt - Assistant Manager - Agriculture
Charlene Omelan - Agriculture Coordinator

Operations Department

Allan Sorowski - Director - Facilities & Operations
Colleen Woodley - Assistant Manager - Facilities & Operations
Roger Miller - Operations Supervisor
Patrick Laprairie - Custodial Service Supervisor
Dave Gruending - Equipment & Grounds Supervisor
Darcie Gondz - Operations Supervisor
Glenn Huber - Mechanic
Dave Jack - Carpenter
Lloyd Newstead - Electrician
Desmond Kidd - Refrigeration Mechanic/
Plumbing Technician

Food & Beverage Department

Sharon Odnokon - Manager - Food & Beverage
Eliot Lang - Executive Chef
Erin Kuemper - Food & Beverage Staffing Administrator
Selina Callaghan - Sous Chef
Tricia Sullivan - Food & Beverage Supervisor
Tammy Allen - Food & Beverage Supervisor
Jaime Nazar - Food & Beverage Supervisor
Arvind Mussafeer - Food & Beverage Supervisor
Keith Sandy - First Cook

A/V Production Department

Jay Boechler - Manager - A/V Production
Keat Maddison - Assistant Manager - A/V Production
Jie Niu - Production Specialist - A/V Production
Emil Quan - Senior Facilities Technician - A/V Production
Roy Sydiaha - Senior Facilities Technician - A/V Production
Collin Konrath - Facilities Technician - A/V Production

Marketing Department

Kristy Rempel - Manager - Marketing
Cassie Wallace - Marketing/Communications Coordinator
Cameron Just - Systems Integration Specialist

Racing & Wagering

Rick Fior - Manager - Racing
Rose Hnatuk - Mutuel/Administrative Coordinator
Denis Paules - Track/Stable Supervisor

Special Events Department

Susan Kuzma - Manager - Special Events
Guylaine Patenaude - Special Events Coordinator
Kylie Chupa - Exhibits & Events Coordinator

Rentals Department

Caroline Laird - Manager - Rentals
Gerald Ball - Event Coordinator
Kyle Chudyk - Event Coordinator
Monica Horn - Event Coordinator
Greg Monson - Sales Coordinator

AUDIT/FINANCE COMMITTEE REPORT

For the year ending December 31, 2018, Prairieland Park reported revenues of \$20,713,571 and expenses of \$19,447,129 resulting in excess of revenues over expenditures of \$1,266,442. Cash flow generated by the Corporation in 2018 totaled \$4,065,299.

The cash flow of Prairieland Park is required for use in three main areas: 1) reinvestment and replacement in facilities and equipment, which totaled \$3,737,659 in 2018; 2) repayment of long-term debt of \$400,000; and 3) changes to the operating and capital reserve fund.

The statement of financial position (balance sheet) clearly shows the financial health of the Corporation. The current ratio of 3.5:1 indicates a strong capability to repay current liabilities with current assets. The debt-to-equity ratio is at 0.12, which is considered low when analyzing the Corporation's ability to borrow and repay debt. This number has been decreasing steadily, as the debt is being paid down while increasing the equity (net assets) on the balance sheet.

Prairieland Park maintains an investment portfolio designated for two main purposes: operating reserve and capital asset reserve. The operating reserve is designated as Marketable Securities - for 2018, this is \$3,794,800. The capital asset reserve is listed as Designated Investments - for 2018, this is \$5,760,702. It's prudent to maintain strong reserves while continuing to invest in ongoing and regular capital improvements to the property and equipment.

Each year, the Audit/Finance Committee reviews the annual operating budget prepared by Management. These budgets are then recommended to the Board of Directors for the subsequent year. Throughout the year, the Committee reviews the financial performance of the Corporation at the quarterly meetings.

The financial statements are audited at the end of each year by Deloitte, the external auditors appointed by the Board of Directors. The Audit/Finance Committee reviews and approves the audit plan as presented by Deloitte. Upon completion of the yearend audit, the auditors meet with the Committee to review the audit results. Once again, Deloitte has issued an unqualified audit opinion to the Committee. What this means is that the financial records and statements are fairly and appropriately presented, and in accordance with Canadian Accounting Standards for Not-For-Profit Corporations. The Board of Directors is proud that a clean audit report is the norm for the Corporation and wish to thank the Management and Staff for their continuing efforts in ensuring this.

On behalf of the Audit/Finance Committee, I would like to express my appreciation and thanks to the Management and Staff at Prairieland Park. Once again, their hard work and diligence delivered strong financial results in 2018. Their cooperation and attention to detail in providing the required information at our Committee meetings is also greatly appreciated.

Further, I would like to thank the members of the Committee – Dwight Buchholz, Keith Moen, Lou Hammond Kefilson, and Don Hrapchak - for their contributions and commitment to the work of this Committee.

Respectfully submitted,
Chair – Steve Chisholm



GOVERNANCE/MEMBERSHIP COMMITTEE REPORT

The Governance/Membership Committee ensures that our Board fulfills its legal, ethical and functional responsibilities through adequate governance policy development, member recruitment strategies, training programs, monitoring of board activities and evaluation of board performance. The Committee integrates best practices through regular review of the organization's governance.

Governance:

The Governance/Membership Committee has completed an ongoing review of policies directing Board Governance practices, as well as Corporation Bylaws. There were no significant changes made to either in the past year.

Each year the members of the Board conduct a self-assessment of individual skills and effectiveness. The self-assessment questionnaire is routinely reviewed and modified where necessary.

The recruitment of new board members is carried out using the Board Member Matrix selection tool to identify gaps in skills or competencies created by the departure of a board member. The Committee discussed a number of potential board members before identifying Jason Danielson to bring to the membership for consideration.

Membership:

Our membership serves a very important role, providing a source for potential board members, and acting as ambassadors for Prairieland Park in the community. The number of new member applications has been fairly constant in previous years, but this past year has seen a decline. Total membership at 317, however, remains consistent with previous years.

Memberships approved April - March

2015	2016	2017	2018
28 - Personal 1 - Corporate	25 - Personal 1 - Corporate	25 - Personal	14 - Personal

I wish to thank the staff of Prairieland Park and members of the Governance/Membership Committee for their thoughtful contributions in 2018; Curtis Gulka, Tracy Arno, Brian Rossnagel and the Chair of the Board, Don Hrapchak.

Respectfully submitted,
Lou Hammond Ketilson



SITE DEVELOPMENT COMMITTEE REPORT

The Site Development Committee works each year with the Management of Prairieland Park to evaluate our site and identify improvements that are necessary to ensure the Park continues to be the premier events location in Saskatchewan. The Committee then makes recommendations to the entire Board for approval. Once given, Management uses the Committee's plan as a blueprint for yearly site expenditures.

While not always heralded and not always visible, the Committee allocated an annual capital budget for management to spend at their discretion on numerous projects intended to keep our site fresh and maintained to the standard our guests expect. Many of these projects are cosmetic; some are technical or mechanical, and many are the "must do's" that are a necessity for a site with as large a footprint as we have.

In 2018, the Board approved \$3,300,000 in major improvements that you would have noticed coming into Prairieland Park tonight. We also approve major capital spending based on larger initiatives that have been identified as important to our ability to attract and retain events in the face of ever-growing competition.

For 2018, the major improvements included:

- Ruth Street Entrance/ Access to Park
- The beautiful Main Trade Center Entrance/Carport Improvements

Other improvements included:

- Hall B Roof Replacement
- Grandstand Acrylic Membrane
- Paving Sealant – Midway, Kidsville, Sports on Tap and Marquis Downs
- Hall C Upgrades – roof
- Hall A Roof Replacement

Going forward, the following initiatives for improvement have been approved for 2019:

- Admin Office Air System
- Trade Center Curbs & Concrete
- Grandstand Improvements - Roof
- Entertainment Trailer
- Fencing – Complete Total Fencing or Volleyball court

I thank fellow Committee members Cory Thoms, Troy Davies, the late Bev Johnson and Board Chair Don Hrapchak for their input, with special thanks to Mark, Allan and Korilee for their support.

Respectfully submitted,

Tracy Arno



OUR PARTNERS

PrairieLand Park appreciates the association and assistance of our major corporate partners, plus the many other sponsors who continue to support our programs and events throughout the year.

MAJOR CORPORATE PARTNERS



EVENT PARTNERS

- | | | |
|--|------------------------------------|--------------------------------------|
| 96.3 CRUZ FM | Dick Bonnycastle | North American Midway Entertainment |
| 98 COOL FM | Diversified Electric & Rentals | Novozymes |
| Acadia Group of Companies | Dow Agrosciences | Nufarm |
| ADAMA Canada | Dupont | Omega Alpha |
| AgriCard Finance | Dupont Pioneer | PC Financial Mastercard |
| Arterra Wines Canada | Early's Farm & Garden Centre Inc. | RAM Truck Tour |
| Astro Towing | Enterprise Rental | RBC Agriculture |
| Bacardi Canada | Farm Credit Canada | Richardson International |
| Back on Track | Farming for Tomorrow | Rock 102 |
| Barndog Productions Inc. | Farmlink Marketing Solutions | Rocky Ridge Ranch |
| BASF | FMC | SAASE |
| Bayer CropScience | Global Ag Input Solutions | Sask Cattleman's Association |
| Beam Suntory | Global Television | Sask Credit Unions |
| Beef Business Magazine | G-Macs Ag Team | Sask Milk |
| Brunner's Construction Ltd. | Goodyear – Market Tire | Sask Ministry of Agriculture |
| Burnco Landscape Centre | Handy Special Events | Sask Power |
| C95 | Heagy Altrogge Matchett & Partners | Saskatchewan Blue Cross |
| Calidon Leasing | Health Canada | Saskatchewan Lotteries |
| California Breakaway | Highline Manufacturing | Saskatoon Blades |
| Canola Council of Canada | Homes by Dream | Saskatoon Co-op |
| Captive Audience | ILC Ag | Saskatoon Fire & Protective Services |
| Cargill | Input Capital | Saskatoon Police Service |
| Cervus Equipment | Koch Ag Services | Scoular |
| Circle K | Loraas Disposal | SGI |
| City of Saskatoon | LS Energy Ltd. | Sterling Truck & Trailer |
| CJWW | McCain Foods | Sure Innovations |
| CJYM/CFYM | MD Ambulance | Sysco |
| CKOM 650 | Merck | The Bull 92.9 |
| Cowtown | MNP | The StarPhoenix |
| Crop Production Services | Monsanto | Thunder Seed |
| CTV Saskatoon | Moody's Equipment | Western Producer Publications |
| Dakota Dunes Community Development Corp. | National Bank of Canada | The Wireless Age |
| DFI | National Leasing | |
| | Norheim Ranching | |

WORLD TRADE CENTER SASKATOON



With our new branding of The World Trade Center Saskatoon, Prairieland Park has risen to a new level and is now part of a global network of World Trade Centers across the world. The World Trade Center at Prairieland Park was host to 432 events in 2018 with 1,310 event days. Continued facility improvements and our excellent reputation for services has proven favorable with the addition of over 60 new bookings of meetings, conventions, banquets and trade shows. This has resulted in an increase of over 50,000 new visitors to the park.

Our team of experts in Food & Beverage, Operations, Facility Rentals and Audio Visual ensure every event is a unique and successful experience for our clients.

2019 is promising to become a record year with new opportunities, partnerships and exciting annual events.



WESTERN CANADIAN CROP PRODUCTION SHOW January 8 - 11, 2018



The 35th Annual Western Canadian Crop Production Show, held January 8-11, 2018, was a success despite the bitter cold on two of the four days.

A total of 19,480 attendees passed through the doors over the four days of the show that featured 347 companies utilizing 1,059 trade show booths. This show has become Western Canada's premier grain industry showcase by presenting information to producers on the latest technology, services, and products. The show was sold out again with approximately 40 companies on a waitlist.

Our seminar this year focused on Drones in Agriculture – the current technology and what the future holds for unmanned aerial vehicles. Three well respected speakers provided education and information to a very enthusiastic audience.

The combined Western Canadian Crop Production Show, Crop Production Week and Crop Sphere Conference made for another very successful Agricultural Business Awareness Week in Saskatoon.



THE SASKATOON EXHIBITION August 7 - 12, 2018



The 132nd annual Saskatoon Exhibition attracted in excess of 203,000 enthusiastic fairgoers for Saskatchewan's largest summer festival.

The Grandstand concerts were once again a success with Carly Rae Jepsen kicking the week off on Tuesday, Canadian pop stars Marianas Trench on Wednesday and Country Superstars Trace Adkins and Tim Hicks on Thursday and Friday. Classic rock Saturday featured April Wine playing to a full house and Sunday's Crash 'n Bash Demolition Derby and Dirt Party did not disappoint with people dancing in their seats to Longshot.

Those that love the thrills and chills of the midway were treated to 46 midway rides including the new Bonsai and 20 Kidsville rides.

Toopy & Binoo entertained the little ones on the Hall C Stage. Las Vegas came to the Saskatoon EX with hypnotist Tyzen and Master Illusionist Jason Andrews providing families with entertainment for all ages direct from Las Vegas. The fair would not be complete without the ever popular President's Choice SuperDogs and Meet & Greet with the likes of Paw Patrol and the Teenage Mutant Ninja Turtles daily in Hall E. The Hall E Fun Zone featured two new exhibits this year with Dale Murdock's presentation of a Saskatchewan themed sand sculpture and Little Ray's Animals of Wizardry display and shows.

Along with our indoor attractions, we featured many outdoor spectaculars including the Nerveless Nocks Thrill Show, NOVA – The Emergence of Light Laser Show nightly, The Silver Starlets Aerial Show and strolling entertainment throughout the park including Mighty Mike, Doo Doo, Crawdaddios Jazz Band and the ever popular Mardi Gras Parade nightly.

Each day the evening was capped off with a spectacular firework presentation as fairgoers made their way off the park.

Plans are well underway for the 2019 event to be held August 6 to 11. Thank you to all who helped to make the 2018 event such a success which created memories that will last a lifetime.

MARQUIS DOWNS June 1 - September 8, 2018

Marquis Downs had another exciting thoroughbred race season. The 2018 race meet was 24 days in duration. The horse inventory was sufficient and a strong jockey colony made for competitive racing. Race patrons once again experienced a season of thrilling entertainment. Marquis Down's purse pool totaled \$733,400. With 334 horses registered to race, 37% of the 172 races that were run offered eight horses or more. The pari-mutuel handle on live racing was \$899,697. Wagering online (HPI) and Off Track Wagering on live racing at Marquis Downs generated \$364,522 to bring the total live racing handle to \$1,264,219 for an average daily handle of \$52,675. In 2017, the total handle for 25 days was \$1,093,053 for an average daily handle of \$45,544. The Saskatchewan Liquor and Gaming Authority licensed 540 people in the racing industry of which 105 of those worked at Marquis Downs during live racing.

The 58th running of the Saskatchewan Derby was run on September 8 for a purse of \$20,000. The winner was Saskatchewan owned Dare to Enter. Owned by Pink Cloud Racing and trained by Courtney Ross, Dare to Enter was in the middle of the pack early, moved with a rush around the final turn, then drew clear in the final furlong to win under a hand ride and take home the winners share of \$11,800. The total handle for the evening including HPI and Off Track Wagering was \$113,581. The staff and management at Marquis Downs would like to thank all of those people who made 2018 a most successful year.



SPORTS ON TAP



Sports on Tap started the year off with some exciting World Junior games, which ended with Canada winning the gold medal game. The NFL season came to an end and we threw another amazing Super Bowl Party with one of the most exciting games in years. Sports on Tap had another successful Puck Off promotion during the NHL season helping us raise over \$3,000 for Rock 102's Care and Share. With the end of NHL came the beginning of the MLB season and we really enjoyed cheering on those Blue Jays! The Roughriders had another successful season and every game was a full house. The UFC events have gotten busier and we had a great year of exciting fight cards. Beach volleyball was completely sold out in 2018 with 216 teams registered. 2019 is shaping up to be another exciting year at Sports on Tap. We hope to see you there!



SASKATCHEWAN BLUE CROSS GARDENSCAPE March 23 - 25, 2018

The 29th Annual Saskatchewan Blue Cross Gardenscape was another great success; once again showcasing new trends in the industry and educating the community. Attendance at the show was 17,858 this year and all booth spaces in the main trade hall were sold out this year.

One of our goals is to continue to offer new things at the show and this year was no exception with the Prairie Berry Café being moved to share seating with the concession in Hall D. Also, the Bistro & Lounge was redesigned into the centre area of Hall A and the Speakers' Theatre was repositioned into one of the breakout rooms in Hall A to create a quality area for these industry experts to present. Our official show app was launched this year and we will continue to build on this new technology for years to come.

The show continued to feature many display gardens including a Wine Garden complete with a wine bar which provided patrons with the opportunity to spend some time relaxing in the garden and imagining the backyard of their dreams. Our Feature Plant of the Year – The Celosia was represented throughout the show in many of the display gardens. Once again our family feature, “SuperDogs Play” was extremely popular with a full house at all the shows as they watched these canine stars unleash some of their all-time favorite ways to play!

Patrons had the opportunity to purchase the newest in backyard living décor, plants, equipment and furnishings. Hall A featured a Market Place of many local specialty foods.

Many of our patrons are looking for the DIY projects which the “How To” demonstration stage is designed to provide tips and techniques from industry experts. The new Workshop Experience Studio provided hands-on projects to take home and the Speakers' Theatre provided a full range of experts speaking on the industry's hottest topics. Saskatchewan Blue Cross Gardenscape will be held March 29, 30 and 31 in 2019 and we are excited to be celebrating our 30 year anniversary.



SASKATCHEWAN BEEF EXPO April 7 - 8, 2018



The Prairieland Park Ag Center hosted 92 4H members and their parents for a weekend of education and competition at the 5th Annual Saskatchewan Beef Expo.

The 2018 seminars were geared to help participants learn proven techniques and tips on grooming, show day preparation and showmanship. Mark Sullivan from “Stock Show University” was here to share his experience in these areas. Additional presenters worked with the participants on selection, judging and safe animal handling.

Show ring competitions on Sunday, April 8 allowed the participants to demonstrate some of the skills they learned on Saturday and to use the day as a warm up for their club or regional 4H show.

Saskatchewan Beef Expo continues to be an event that provides education to the future leaders of the Beef Industry in Saskatchewan.



WORLD PROFESSIONAL CHUCKWAGON RACES June 7 - 10, 2018



Close to 5,000 fans watched as the 36 professional drivers, and their equine partners, competed for the Saskatoon championship. When the times were tabulated, it was 2017 World Champion Kurt Bensmiller (from Dewberry, Alberta), who won the championship.

It was a thrilling weekend, and although the weather threatened on Sunday, the crowd was still strong for the final day of racing.



PRAIRIELAND JUNIOR AG SHOWCASE July 4 - 9, 2018



The Prairieland Junior AG Showcase took place over six days at the Prairieland Park Ag Center. The event is the highlight of the year for the 250 plus 4-H members that bring their 4-H project they have been working on since the fall. The different activities during the event are designed to be interactive, educational and strengthen social skills; in addition to good natured competition. Participants travel from across the province to participate in a variety of events featuring Light Horse, Beef, Dairy, Sheep and Showcase of Arts competitions.

The highlight of the weekend was the annual 4H Steer and Champion Market Lamb sale held on Monday evening. A new award was handed out at the beginning of the sale. The "Garnet Forreiter" memorial award was created by Prairieland Park to celebrate the impact Garnet Forreiter had on the Junior Ag Showcase and the 4-H Beef Program. The criteria for the award was an individual who exemplifies the spirit of 4-H through their attitude, demeanor and treatment of others.



AG-EXPERIENCE FOR STUDENTS October 2 - 4, 2018



We welcomed 675 Grade Four students for AG-EXperience on October 2, 3, & 4, 2018. Students were guided through six presentations in Hall D that included; Crop Protection, Bees, Grains of Saskatchewan, By-Products and the Importance of Water to Agriculture. There were five live animal stations at the Ag Center including; Beef, Sheep, a Hen Housing Unit, Pork and Chickens plus a Canola Crush station. A milking demonstration and a cattle herding demonstration completed their tour.

At noon daily we had an auctioneer do a fun cookie auction where the kids got to bid on boxes of cookies for their class. Twelve Prairieland Park members and six employees from MNP volunteered during the three days as hosts and tour guides.

AG-EXperience is presented in partnership with Agriculture in the Classroom with support from the Government of Saskatchewan, Saskatchewan Crop Insurance, Saskatchewan Egg Producers, Farm Credit Corporation, Sask Canola, Ag West Bio Inc. and Sask Milk.



SPECIAL EVENTS



2018 was another busy year for the Special Events Department with a total of ten events produced or hosted throughout the year. This included The Wiggles Live concert in October, which was a theatre style of family show that attracted over 1,800 people for the two shows. We also hosted four university themed cabarets; Mock Wedding, Ag Bag Drag, Foam on the Range and LB5Q.

In December, the Special Events Department produced our Small Business Christmas Party; with over 700 people attending this year, along with our annual New Year's Eve House Party.

In addition to these events, we were also host to three other cabarets over the course of the year.

Our outdoor venue, The Kickin' Horse Saloon, continues to be marketed as a unique performance area for summer festivals and concerts. This location is very popular for touring festival-style events.

2019 is already shaping up to be another busy year and we are very excited to have a number of returning clients as well as new clients working with us for their annual events.



GARDEN EXPERIENCE SCHOOL TOURS March 20 - 22, 2018



For three days on March 20, 21, & 22, 2018 over 1,200 Grade Three students toured a variety of stations including Composting, Is It Made with Plants?, Good Bugs/Bad Bugs, Soils and Plants of Saskatchewan plus a station where they planted a tomato and got to take it home! These tours are held just prior to Gardenscape, and are presented by Prairieland Park in partnership with Agriculture in the Classroom.



SASKATCHEWAN EQUINE EXPO February 15 - 18, 2018



PrairieLand Park, along with our partners, The Saskatchewan Horse Federation and Western College of Veterinary Medicine presented the 7th Annual Saskatchewan Equine Expo to an audience of almost 10,000 equine enthusiasts. The Saskatchewan Equine Expo showcases many elements of the Equine industry through demonstrations, clinics, competitions, awards and an industry trade show. The Ultimate Cow Horse Competition was a crowd pleaser again, with Dale Clearwater and Susan Schaal taking home the winning buckles.

The Friday and Saturday evening Equine Extravaganza thrilled a sold out audience for almost two hours each night. The final event on Sunday afternoon saw Saskatchewan horseman Adam Thiessen chosen as the winner of the Trainer Challenge. The industry trade show offered patrons a wide variety of items and the Information Theatre featured sessions by industry experts.



PRAIRIELAND PARK AG CENTER



The Ag Center was a busy facility in 2018. Boarding season began on January 1 with a few of the horsemen from Marquis Downs moving in for the month of March.

The Ag Center was host to events starting in April right through to the end of the year. There were more than 80 event days, attracting exhibitors and spectators from throughout Canada and the United States. This year we have added a monthly horse sale and our first ever purebred cattle sale.

The Ag Center continues to be a premier facility for livestock events in Saskatchewan and also houses thoroughbreds during the race meet at Marquis Downs.



PRAIRIELAND YOUTH LEADERSHIP CONFERENCE February 3 - 4, 2018



The Prairieland Youth Leadership Conference hosted 50 applicants on February 3 & 4, 2018. The theme of this year's annual event focused on how important social media is as it relates to agriculture. The participants completed various activities with emphasis on working as a team. Three judges assigned marks to the participants by observing them as they worked in their groups and at the activities, along with pre-conference video assignment and a current event questionnaire as part of their final mark. This year we were pleased to have Carla Borsa, a past 4-H member and previous Prairieland Youth Leadership Conference winner as our guest speaker at the banquet. A total of \$12,000 in scholarships was presented to five participants.



OUR MEMBERSHIP

PERSONAL MEMBERS

Kathleen Alexander
Christine Allan
Craig Allan
Carey Allchurch
Gordon R. Allchurch
Lorraine Allchurch
Terry Alm
Al Anderson
Doug Anderson
Jacqueline
Anderson
Joan Anderson
Lorne O. Anderson
Maryann Anderson
Tracy Arno
Don Atchison
Sandra Bangle
Ken Barrett
Dustin Bartlett
Jaclyn Bartlett
Grace Bartzen
Neva Bayliss
Aaron Bazylak
Art Belanger
Bud Besse
Colette Bezaire
Luc Bezaire
David Bilanski
Marlys Bilanski
Donna Birkmaier
Gisele Blanchette
Kelly Block
Milton Block
Joe Boski
Ruth Bond-Martinson
Juliette Boser
Merv Brand
Todd Brandt
Linda Braun
Norma Briskar
William Briskar
Jack Brodsky
Jan Bruce
Dwight Buchholz
Jill Buechler
Neil Buechler
Adele Bueftner
Orrin Bull
Eileen Bunko
Hudson Byblow
G.R. (Garry) Byers
Blaine Canitz
Les Cannam
Fred Catterall
Karen Catterall
Carter Cheveldayoff
Ken Cheveldayoff
Trish Cheveldayoff
Lily Chin
Steve Chisholm
Cory Choponis
Kenneth Clarke
Patricia Clarke
Dorothy Clement
Wayne Clement
Pat Confrey
Bill Cooper
Greg Coulter
Francis Crosson
Doug Daigle
Amanda Danchak
Darren Danchak

Jason Danielson
Troy Davies
Bill Davis
Peter Dawson
Gord Deibert
John Deibert
Tyson Delorme
Darren Deminchuk
Terry Deneiko
Dana Derenoski
Shona Dietz
Eldon Driedger
Bev Dubois
Vic Dubois
Gene Dupuis
Dave Dutchak
Wendell Dyck
Valerie Ellis
Harold Empey
Dave Engel
Roger Ethier
Gary Evans
Lynn Evans
Tony Fabbro
Bob Fawcett
Don Featherstone
Marjorie Featherstone
Maurice Fedorchuk
Randy Fernets
Wendy Fernets
Theresa Fisher
Jason Forrest
Trevor Forrest
Phyllis Fowler
Army Froese
Shannon Froese
Fay Gabrielson
Neil Gabrielson
Arden Gibb
Darlene Gibb
Brooke Godlien
Michael Gorniak
Keith Gudmundson
Curtis Gulka
Al Habicht
Gordon Haddock
Norm Hall
Bernard Hamel
Opal Hamel
Lou Hammond Ketilson
Henry Hamre
Linda Hamre
Judy Harwood
Ross Harwood
Jean Heidt
Myles Heidt
Brian Heinz
Wayne Heiser
Merle Hicks
Ron Hicks
Fay Hoiness
Cara Holeha
Bruce Horn
Lynne Horn
Michelle Houle
Carolyn Howden
Cheryl Hrapchak
Don Hrapchak
Dean Hurlburt
Delvyn Huyghebaert
Roxanne Irvine
Stu Irvine

Armand Istace
Robert Istace
Bonnie Janzen
John Janzen
Brett Jenson
Donald Johnson
Sylvia Johnson
Kane Kachur
Dale Kary
Wilfred Kary
Deborah Kasahoff
Darrell Kasahoff
Joe Kasahoff
Douglas Keats
Gordon Kemp
Lyla Kempainen
Toivo Kemppainen
Bob Kenny
Melanie Kenny
Neil Ketilson
Rick King
David Klatt
Randy Klein
Andy Klotz
Shirley Koob
George Kool
Frances Korolchuk
Dr. Effie Kutsogiannis
Larry Labuik
Jim Lang
Joan Lasiuk
Don LaVallee
Ryan LaVallee
Norman Lawrence
Ronald James Lee
Richard Letkeman
Veronique Loewen
Connie Lynch
Lesley Magnus
Randy Magnus
Walter Mah
Gordon Malinowski
Russel Marcoux
Harold Martinson
Cara Mazurak
Wayne Mazurak
Chuck McCutcheon
Stuart McDowell
Brent McFadden
Frank McKeown
Lynda McWatters
Sterling McWatters
Daved Meakin
DeeAnn Mercier
Doria Michalishen
Michael Millar
Gwen Miller
Keith Moen
Sandy Morgan
Ron Morris
Doreen Morrison
Merv Morrison
Matthew Murray
Robert Muzika
Cheryl Nelson
Dwight Nelson
Shawna Nelson
Rosemary Neufeld
Darrell Novakovski
Derrick Oberhofer
Eric Olason
Ian Oliver

Sylvia Oliver
Roberta Palen
Terry Patterson
Patricia Patterson
Todd Peterson
Steve Pidgurski
Patrick Pitka
Connie Plotzki
Darleen Pratt
John Presseau
Randy Pshebylo
Hank Pulles
Jeanette Pulles
Christopher Rachul
Terri Rasmussen
Adrienne Rawling
Don Regier
Beatrice Reid
Rick Reid
Linda Reynolds
Michelle Richards
Chris Riis
Len Ritcho
Ben Robb
Marlene Rochelle
Sharon Rochelle
Shirley Ross
Brian Rossnagel
Laurel Rossnagel
Don Rothenburger
W.F. (Bill Ryan)
Joan Sachse
Linda Saunders
Arthur Sawatsky
Barry Sawchuk
Brian Sawka
Al Schell
Brad Schlosser
Murray Schmidt
Kim Schmidt
Al Scholz
Steve Shannon
Joseph Shmyr
George Shrimpton
Brian Sim
Reta Simpson
Carol Skelton
J.N. (Jim) Smart
Jason Smith
Julian Smith
Kent Sommerfeld

Larry Sommerfeld
Dana Soonias
Vern Sparrow
Glen Stevens
Irv Stevens
Jenny Lee Stevens
Marjorie Stevens
Ron Stevens
Dawn Stranden
Kim Stranden
Pat Stranden
Dick Strayer
Carole Sunley
Bert Sutherland
Ian Sutherland
Brian Swidrovich
Brad Sylvester
Bob Tait
Lynn Tait
Howard Thomas
Cory Thoms
Donna Lyn Thorsteinson
Nicole Tiessen
Paul Tiessen
Wayne Tillotson
Bei Tio
Jean Tio
Alan Tirk
Tim Tkachuk
Greg Trew
Jim Twigg
Tracey Verishine
Daymond Volk
Anne Wallace
Patrick Wallace
Melick Waslyshin
Kevin Waugh
Trent Weber
Kristy Werner
Dennis Wiebe
Ken Wilde
Rosella Willems
Willmer Willems
Cassandra Williamson
Betty Willms
Ken Willms
Lynne Yelich
Bernie Yuzdepski
Reynold Zeiler
David Zolinsky
Bonnie Zoller

CORPORATE MEMBERS

Ag-West Bio Inc.
Centennial Foodservice
Culligan Water Conditioning
Early's Farm & Garden Centre Inc.
Edge Family Law
Global Television/Corus Entertainment
Greater Saskatoon Chamber of Commerce
Handy Group of Companies
Horizon Computer Solutions Inc.
Maxie's Excavating Ltd.
Prairie Meats Ltd.
Ramada Hotel
Saskatchewan Trade & Export Partnership
U of S College of Agriculture
Westcap Management Ltd.
Western Development Museum

Independent Auditor's Report

To the Members of
Saskatoon Prairieland Park Corporation

Opinion

We have audited the financial statements of Saskatoon Prairieland Park Corporation (the "Corporation"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit Corporations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit Corporations, 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.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



The image shows the handwritten signature of Deloitte LLP in black ink. The signature is written in a cursive, stylized font.

Chartered Professional Accountants
Saskatoon, Saskatchewan
March 6, 2019

SASKATOON PRAIRIELAND PARK CORPORATION
STATEMENT OF FINANCIAL POSITION
as at December 31, 2018

	Notes	2018	2017
CURRENT ASSETS			
Cash		\$ 1,623,976	\$ 1,846,386
Marketable securities	4	3,794,800	3,986,219
Designated investments	4	5,760,702	5,709,873
Accounts receivable	5,11	970,063	934,209
Inventories	6	270,837	256,612
Prepaid expenses		277,616	190,964
		<u>12,697,994</u>	<u>12,924,263</u>
PROPERTY AND EQUIPMENT	7	<u>21,363,283</u>	<u>19,863,340</u>
		<u>\$ 34,061,277</u>	<u>\$ 32,787,603</u>
LIABILITIES AND NET ASSETS			
Accounts payable and accrued liabilities		\$ 1,502,923	\$ 1,186,417
Customer deposits		1,636,966	1,547,795
Government remittances payable		99,154	97,599
Current portion of long-term debt	8	400,000	400,000
		<u>3,639,043</u>	<u>3,231,811</u>
Long-term debt	8	2,833,333	3,233,333
		<u>6,472,376</u>	<u>6,465,144</u>
NET ASSETS			
Net assets invested in property and equipment		18,129,950	16,230,007
Net assets, internally restricted	10	5,760,702	5,709,873
Net assets, unrestricted		3,698,249	4,382,579
		<u>27,588,901</u>	<u>26,322,459</u>
		<u>\$ 34,061,277</u>	<u>\$ 32,787,603</u>

APPROVED BY THE BOARD:

.....Director
.....Director

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

SASKATOON PRAIRIELAND PARK CORPORATION
STATEMENT OF OPERATIONS
year ended December 31, 2018

	Notes	2018	2017
REVENUE			
Trade & Convention Centre		\$ 7,002,715	\$ 6,981,395
Special Events & Programs		3,775,895	3,951,044
Agriculture		1,985,167	1,946,606
Horse Racing & Sports on Tap		4,720,119	4,641,398
Corporate	9	<u>3,229,675</u>	<u>3,758,399</u>
		<u>20,713,571</u>	<u>21,278,842</u>
EXPENDITURES (Schedule)			
Trade & Convention Centre		7,848,428	7,773,605
Special Events & Programs		2,301,015	2,276,922
Agriculture		685,092	754,711
Horse Racing & Sports on Tap		4,952,213	4,967,036
Corporate	4	<u>3,660,381</u>	<u>3,161,313</u>
		<u>19,447,129</u>	<u>18,933,587</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
Trade & Convention Centre		(845,713)	(792,210)
Special Events & Programs		1,474,880	1,674,122
Agriculture		1,300,075	1,191,895
Horse Racing & Sports on Tap		(232,094)	(325,638)
Corporate		<u>(430,706)</u>	<u>597,086</u>
		<u>1,266,442</u>	<u>2,345,255</u>

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

SASKATOON PRAIRIELAND PARK CORPORATION
STATEMENT OF CHANGES IN NET ASSETS
year ended December 31, 2018

	Invested in property and equipment	Internally restricted	Unrestricted	2018	2017
NET ASSETS, BEGINNING OF YEAR	\$ 16,230,007	\$ 5,709,873	\$ 4,382,579	\$ 26,322,459	\$ 23,977,204
Excess (deficiency) of revenue over expenditures	(2,237,716)	50,829	3,453,329	1,266,442	2,345,255
Purchase of property and equipment	3,737,659	-	(3,737,659)	-	-
Payment of debt	400,000	-	(400,000)	-	-
NET ASSETS, END OF YEAR	<u>\$ 18,129,950</u>	<u>\$ 5,760,702</u>	<u>\$ 3,698,249</u>	<u>\$ 27,588,901</u>	<u>\$ 26,322,459</u>

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

SASKATOON PRAIRIELAND PARK CORPORATION
STATEMENT OF CASH FLOWS
year ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 1,266,442	\$ 2,345,255
Items not affecting cash and unrealized gain		
Amortization of property and equipment	2,237,716	2,161,339
Unrealized loss (gain) in market value of marketable securities	290,640	(520,374)
Changes in non-cash working capital items	270,501	(113,929)
	<u>4,065,299</u>	<u>3,872,291</u>
INVESTING ACTIVITIES		
Cash interest received reinvested	(150,050)	(188,895)
Purchase of marketable securities	-	(1,500,000)
Additions to property and equipment	(3,737,659)	(1,667,841)
	<u>(3,887,709)</u>	<u>(3,356,736)</u>
FINANCING ACTIVITY		
Repayment of long-term debt	(400,000)	(400,000)
	<u>(400,000)</u>	<u>(400,000)</u>
NET (DECREASE) INCREASE IN CASH	(222,410)	115,555
CASH POSITION, BEGINNING OF YEAR	1,846,386	1,730,831
CASH POSITION, END OF YEAR	\$ 1,623,976	\$ 1,846,386

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

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2018

1. NATURE OF OPERATIONS

Saskatoon Prairieland Park Corporation (the "Corporation") was incorporated under the Non-Profit Act of Saskatchewan on December 13, 1911. Activities of the Corporation include trade shows, agricultural events, horse racing, school programs, the Saskatoon Exhibition and the operation of Sports on Tap.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash

Cash includes balances with banks, cash on hand, and automatic banking machine floats.

Revenue Recognition

The Corporation recognizes revenue as delivery of services has occurred and collection is reasonably assured. Management fees are recognized as revenue when received or receivable. Customer deposits received for events are deferred until revenue is recognized. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is measured at amortized cost except for marketable securities and designated investments which are measured at fair value as at the reporting date. Fair value fluctuations in these assets including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in administration revenues.

The Corporation's financial assets measured at fair value include quoted shares and investments in bonds.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and long-term debt.

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Transaction costs related to cash and short-term and long-term investments are expensed as incurred. Transaction costs related to other financial instruments are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

Financial Instruments (continued)

The Corporation uses the effective interest method to recognize interest income or expense which includes transaction costs or fees, premiums or discounts earned or incurred for financial instruments.

Inventories

Inventories are recorded at cost and valued at the lower of cost and net realizable value with cost being determined on a first in, first out basis. Inventories consist of alcohol, food, and other items.

Property and Equipment

Property and equipment are recorded at cost. Normal maintenance and repair expenditures are expensed as incurred.

Amortization of property and equipment is recorded in the accounts on a straight-line basis at rates expected to amortize the cost of the assets over their estimated useful lives:

Buildings	2.5% - 12.5%
Equipment	10% - 33.3%
Leasehold improvements and roads	4% - 10%

Impairment of Long-lived Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value of long-lived assets exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value at the date of impairment.

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Assistance

Government assistance is recorded in the financial statements when there is reasonable assurance that the Corporation has complied with, and will continue to comply with, all conditions necessary to obtain the assistance. Government assistance is reflected as a reduction in the cost of the assets or expenses to which it relates.

Use of Estimates

The preparation of the Corporation's financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 during the reporting period. Actual results could differ from those estimates. Estimates are used when accounting for items and matters such as allowance for doubtful accounts, inventory obsolescence, amortization of property and equipment, and provisions and contingencies.

3. LINE OF CREDIT

The Corporation maintained an authorized line of credit of \$1,000,000. At December 31, 2018, there was \$nil (2017 - \$nil) drawn against the line of credit. Interest on any outstanding credit is calculated at prime (3.95% at December 31, 2018). The line of credit is secured by all of the assets of the Corporation.

4. MARKETABLE SECURITIES

In 2018, \$290,640 (2017 - \$520,374) was reported as an unrealized loss (2017 – gain) in corporate expenditures (2017 – revenue) on the statement of operations and net assets.

The marketable securities are comprised of listed equities and bonds. Bonds earn interest at rates between 2.05% and 2.81% (2017 – 2.30% and 5.86%) with maturity dates between 1 – 6 years (2017 – 1 – 32).

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2018

4. MARKETABLE SECURITIES (continued)

	<u>2018</u>	<u>2017</u>
Bonds	\$ 3,254,295	\$ 4,187,448
Listed shares	<u>6,301,207</u>	<u>5,508,644</u>
	9,555,502	9,696,092
Less designated investments (Note 10)	<u>5,760,702</u>	<u>5,709,873</u>
	<u>\$ 3,794,800</u>	<u>\$ 3,986,219</u>

5. ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
Trade	\$ 871,163	\$ 789,460
Other	<u>98,900</u>	<u>144,749</u>
	<u>\$ 970,063</u>	<u>\$ 934,209</u>

6. INVENTORIES

	<u>2018</u>	<u>2017</u>
Food	\$ 146,980	\$ 168,902
Alcohol	<u>101,807</u>	<u>73,767</u>
Other	22,050	13,943
	<u>\$ 270,837</u>	<u>\$ 256,612</u>

7. PROPERTY AND EQUIPMENT

	<u>2018</u>			<u>2017</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 25,473,264	\$ 16,468,903	\$ 9,004,361	\$ 9,133,203
Equipment	12,899,742	10,871,519	<u>2,028,223</u>	2,227,487
Leasehold improvements	3,481,461	796,862	<u>2,684,599</u>	2,812,652
Roads	10,707,059	5,850,134	<u>4,856,924</u>	5,116,475
Capital projects in progress	250,914	-	<u>250,914</u>	213,414
Site development	<u>2,538,261</u>	-	<u>2,538,261</u>	<u>360,109</u>
	<u>\$ 55,350,700</u>	<u>\$ 33,987,418</u>	<u>\$ 21,363,283</u>	<u>\$ 19,863,340</u>

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2018

7. PROPERTY AND EQUIPMENT (continued)

Land occupied by the Corporation is provided under a lease with the City of Saskatoon expiring in the year 2045.

Included in the cost of property and equipment is capital projects in progress and site development which has not been amortized as they are not available for use.

8. LONG-TERM DEBT

	2018	2017
Term demand loan payable in monthly instalments of \$33,333 principal plus interest at prime (3.95%); maturing in April of 2027; secured by all of the assets of the Corporation.	\$ 3,233,333	\$ 3,633,333
	3,233,333	3,633,333
Less current portion	400,000	400,000
	\$ 2,833,333	\$ 3,233,333

On March 6, 2019, the Bank of Montreal confirmed that there is no current intention to demand payment on the loans within the year and as a result the term demand loans have been recorded as long-term.

9. SIGA MANAGEMENT FEES

Pursuant to an agreement with the Government of Saskatchewan, Saskatchewan Indian Gaming Authority (“SIGA”) was required to advise the Corporation of the August 10, 2007 opening day for the Dakota Dunes Casino. This required the closure of the Emerald Casino on August 5, 2007. Monthly payments to the Corporation for the compensation of lost income from the casino closure commenced upon the opening of Dakota Dunes Casino. In accordance with the agreement, \$2,600,004 (2017 - \$2,600,004) was received in the current year and recorded as management fees within corporate revenue.

Under the agreement, SIGA will pay to the Corporation, for a period of thirty (30) years, annual payments in the amount of \$2,600,004 payable in monthly installments of \$216,667.

The agreement between SIGA and the Corporation shall cease if; (1) the Corporation operates gaming, other than permitted gaming on land it owns, leases, or controls or (2) if the Corporation ceases to exist as a corporation without previously assigning its assets to a successor entity with the consent of SLGA or (3) ceases to conduct active business operations.

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2018

10. NET ASSETS

Internally restricted net assets relate to amounts that have been set aside by the Board of Directors for use in future capital projects as approved by the Board. In 2018, a transfer of \$50,829 (2017 - \$5,709,873) was made to internally restricted net assets. These internally restricted amounts are not available without approval of the Board of Directors.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, interest rate risk and liquidity risk.

Credit Risk

The Corporation's principal financial assets are cash, marketable securities, and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the statement of financial position represent the Corporation's maximum credit exposure at the statement of financial position date.

The Corporation's credit risk is primarily attributable to its trade receivables. The Corporation does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year and has a \$nil allowance for bad debts (2017 - \$nil). The credit risk on cash and marketable securities is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies.

Interest Rate Risk

The interest bearing marketable securities have a limited exposure to interest rate risk due to their short term maturity. Fixed-rate investments subject the Corporation to a fair value risk.

The debt bears interest at rates which are reset annually or more frequently, based on Canadian prime rate and as such is subject to interest rate risk.

Liquidity Risk

The Corporation's objective is to have sufficient liquidity to meet its liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2018 the most significant financial liabilities are accounts payable and accrued liabilities and long-term debt.

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2018

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair Values

The fair values of cash, accounts receivable and accounts payable and accrued liabilities, approximate their carrying values due to their short-term maturity.

The fair value of marketable securities is based on quoted market prices.

The fair value of long-term debt approximates its carrying value due to its interest rate floating with prime.

12. INCOME TAXES

The Corporation is incorporated under the Non-Profit Corporations Act of Saskatchewan and is not subject to income tax under the provisions of paragraph 149(1)(l) of the Income Tax Act.

SASKATOON PRAIRIELAND PARK CORPORATION
SCHEDULE OF EXPENDITURES
year ended December 31, 2018

	2018	2017
Advertising and promotion	\$ 357,430	\$ 369,001
Administration and office	327,738	328,252
Amortization of property and equipment	2,237,716	2,161,339
Contracted services	1,410,530	1,328,378
Cost of sales	2,352,631	2,379,843
Equipment rental	228,768	277,177
Host track fees	343,540	354,296
Insurance	193,165	177,867
Interest expense on long-term debt	124,417	111,569
Licenses and permits	71,084	11,166
Professional fees	50,568	43,095
Purses and prize money	827,304	833,695
Racing tote, data lines, and decoders	299,304	298,910
Repairs, maintenance, and supplies	785,258	788,268
Unrealized loss on marketable securities	290,640	-
Utilities	1,077,900	1,071,266
Wages and benefits	8,469,136	8,399,465
	<u>\$ 19,447,129</u>	<u>\$ 18,933,587</u>



