

2014 ANNUAL REPORT

Entertainment

First-Rate
Customer
Service

Superior
Facilities



Premiere
Events

Saskatoon Prairieland Park
Corporation



Prattland Park

Saskatoon Prairieland Park Corporation

2014 Annual Report

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MESSAGE FROM THE CHAIR, VOLUNTEER BOARD OF DIRECTORS

Saskatoon Prairieland Park continues to be Saskatchewan's premier venue for conventions, trade shows and of course the Exhibition. Quality doesn't just happen. The Corporation is fortunate to have great leadership in CEO Mark Regier, and the team he has to support his vision.

In addition, Prairieland Park has dedicated and experienced Board members. These individuals provide great oversight and continue to develop as a Board that provides policy governance as a model for successful management of the Park. In-camera portions of every Board meeting and a formal CEO review process are two of the standards that are part of the due diligence the members have entrusted to the Board.

Thank you to the Board members for the opportunity to chair the Prairieland Park Board. I am amazed at the passion and professionalism these individuals have and also in the way that they have taken a personal approach to being on the Board. The corporation is well served by these folks. I feel honoured to be a part of this group, and my tenure as Chair is something that I will always cherish.

In other parts of this report you will read about the financial performance that continues to grow. Good stewardship of the member's assets continues to be forefront for both your Board and your administration.

As a growing enterprise, the Board diligently balances the needs of infrastructure upgrades with the opportunities for new capital improvements required to keep the Park current with today's needs. The Site Committee continues to provide excellent support for the vision of the corporation in this area.

In addition to the rental space the park provides for customers, internal programs provide experiences for our community. The Exhibition, Crop Production Show, Gardenscape. Equine Expo, various concerts, and of course Horse Racing all help to add to the quality of life we enjoy in Saskatoon and Saskatchewan.

Thank you to the management and staff of Prairieland. We all work well together to enhance Prairieland Park. As the corporation continues to grow and play a larger role in the economy of our city, we are fortunate to have dedicated staff to meet the challenge.

Prairieland Park is an exciting place to be!!



Trevor Forrest - Chair

BOARD OF DIRECTORS

SASKATOON PRAIRIELAND PARK CORPORATION

Saskatoon Prairieland Park Corporation is a world-class destination for premiere events, and entertainment. We produce, host, and facilitate extraordinary events through first-rate customer service and superior facilities.

OFFICERS

Chair – Trevor Forrest

Past President – Jack Brodsky

Vice Chair – Stu Irvine

Audit/Finance – Stuart McDowell

Site Development – Brian Rossnagel

Governance/Membership – Daymond Volk

Chief Executive Officer – Mark Regier

Chief Financial Officer – Dan Kempainen

Executive Assistant – Korilee Burgess

Auditors – Deloitte



Back Row: Larry Sommerfeld, Don Hrapchak, Steve Chisholm, Daymond Volk, Eric Olauson, Cory Thoms

Middle Row: Stuart McDowell, Curtis Gulka, Jack Brodsky, Dwight Buchholz, Brian Rossnagel, Betty Willms (Exec. Ass't.)

Front Row: Stu Irvine, (Vice Chair), Trevor Forrest (Chair), Mark Regier (Chief Executive Officer)

CHIEF EXECUTIVE OFFICER REPORT

PrairieLand Park continues to grow in all divisions with over \$21 million in revenues generated in 2014. This is an 8% increase over the previous year, which was also very successful. The largest single expenditure for the corporation is payroll with 382 regular employees and over 1000 T-4 slips produced at year end. Each and every event requires significant labour hours to deliver first-rate customer service and our staff did not disappoint. PrairieLand Park was again named an "Employer of Choice" by STEC (Saskatchewan Tourism Education Council) for the sixth year in a row. Congratulations to all the staff for this fine achievement.

The Trade and Convention Centre was a very busy place hosting 439 events and 1474 event days. I am proud to say that a 99% customer satisfaction rating was achieved by the corporation this past year. This is due in large part to our highly skilled labour force who handles many overnight building turnovers.

The annual Saskatoon Ex was held from August 5th to the 10th with a total attendance of 219,281. This number is just shy of the record of 221,154 obtained in 2012. With the exception of Friday night, the weather was good for the six day event. North American Midway provided 51 thrill seeking rides to the delight of our fairgoers.

The Agriculture Department was busy again providing numerous events throughout the year. The Jr. Activities summer 4-H Event and the winter Youth Leadership Program are well attended by participants from across the province. The three day Ag Experience Program hosted 650 urban students providing a great "out of classroom" experience learning about agriculture.

The Thoroughbred racing season was very successful with 24 race days from June to September. All 24 days were well attended by race fans that enjoyed the great entertainment. The Terrace dining room was booked up most nights as was the outdoor cookhouse. The live handle hit \$1,017,955, a 6.6% increase from 2013. The total provincial simulcast handle was \$7,076,269 which is an increase of 7% from the previous year. This handle is generated at three teletheatre locations in Regina, Prince Albert, and at our own Sports on Tap. HPI (horse player interactive) internet wagering was popular with race fans and continues to grow each year.

The future of PrairieLand Park looks positive with many new events taking place at the Park over the next several years. It is an honor for me to work for such a great organization.



Mark Regier - CEO

PRAIRIELAND PARK ADMINISTRATION

INTERNAL DIRECTORS



Dan Kemppainen

Chief Financial Officer

Oversees the management of the Finance Department and all financial operations of the corporation.



Carl Schlosser

Director - Events

Oversees the management of the Events, Food & Beverage, Agriculture, and Rentals departments.



Wayne Heiser

Director - Facilities

Oversees the management of the Operations department plus all facility and park development.

2014 Salaried Staff

Executive Office

Mark Regier – Chief Executive Officer
Betty Willms - Executive Assistant (Jan - Oct)
Korilee Burgess – Executive Assistant (Oct - Dec)

Human Resource Department

Sharon Preston - Manager - Human Resources
Shirlee Olekson – Receptionist

Marketing Department

Donna Bohrson – Manager - Marketing
Shandra Liss - Marketing Co-ordinator
Claire Letendre - Web Designer/Developer

Finance Department

Dan Kemppainen – Chief Financial Officer
Shawn Irwin – Manager - Information Technology
Paulette Pellerin – Payroll Officer
Lisa Harms - Accounting Technician
Barry Podhorodeski - Accounting Technician

Events Department

Carl Schlosser - Director - Events
Susan Kuzma - Manager - Special Events
Jason Hynd - Manager - Sales & Corporate Sponsorship
Jay Boechler - Manager -Technical Services
Guylaine Patenaude - Events Administrator

Food & Beverage Department

Sharon Odnokon - Manager - Food & Beverage
Erin Kuemper – Assistant Manager Food & Beverage
Eliot Lang- Executive Chef
Selina Callaghan - Sous Chef
Tricia Sullivan - Supervisor
Greg Hartz - Supervisor
Jade Ma - Supervisor
Greg Monson - Supervisor
Tracy Voth -Supervisor

Agriculture Department

Lori Cates - Manager - Agriculture
Brenda Sapergia – Manager - Livestock
Leigh Ann Hurlburt - Agriculture Administrator
Charlene Omelan - Agriculture Assistant
Shelley Wing – Exhibits Administrator
Crystal Willms - Ag Centre Supervisor

Rentals Department

Caroline Laird - Manager - Rentals
Gerald Ball – Production Coordinator
Monica Horn - Production Coordinator
Kyle Chudyk - Production Coordinator

Racing & Wagering

Rick Fior - Manager of Racing
Rose Hnatuk - Mutuel/Administrative Coordinator
Denis Paules – Operations Supervisor

Operations Department

Wayne Heiser - Director - Facilities
Allan Sorowski – Operations Manager
Colleen Woodley – Assistant Operations Manager
Patrick Leprairie – Custodial Service Supervisor
Dave Gruending – Team Leader/Operations Supervisor
Roger Miller - Team Supervisor
Jonathan Burgess – Electrician (July - Dec)
Orest Kindrachuk - Electrician (Jan - Sept)
Dave Jack - Carpenter
Glenn Huber – Mechanic (June - Dec)
Terry Dolphin - Mechanic (Jan - May)
Garth Sommerfeld – Operations Personnel
Adam Bogucki – Operations Personnel

Sports on Tap

Amy Schindelka - Manager

AUDIT/FINANCE COMMITTEE REPORT

Saskatoon Prairieland Park Corporation reported strong financial results for the fiscal year ended December 31, 2014. These results are summarized below:

	2014 (000's)	2013 (000's)	% change
Revenue	\$21,543	\$19,828	+8.6%
Expenditures	\$19,074	\$17,900	+6.6%
Excess Revenue over Expenditures	\$ 2,469	\$ 1,928	+28.0%
Reserves	\$ 5,729	\$ 4,283	+33.7%
Debt	4,833	\$ 5,205	-7.15%
Net Assets	\$19,757	\$17,288	+14.3%
Expenditures on Fixed Assets	\$ 1,873	\$ 3,921	-52.2%

The management and staff of Saskatoon Prairieland Park Corporation (SPPC) are congratulated for their outstanding efforts in delivering another excellent year for the park.

- The increase in the reserves for SPPC is due to market gains of \$303,717 on the portfolio plus additional funds in excess of \$1 million being invested for the future use of SPPC. We should all be cautioned that market returns have been strong in recent years however markets can and will correct at some point in time.
- The apparent reduction in expenditures on Fixed Assets is due to the timing of site development projects for 2012 and 2013 where a large portion of the 2012 expenditures accrued in the 2013 fiscal year. The 2014 level of Capital Expenditures is a return to more normal levels.

Projects Undertaken / Completed by the Audit and Finance Committee in 2014

- The A & F Committee, along with Management, researched and developed a Reserve Policy Statement for SPPC. This policy in essence outlines the level of reserves needed to protect SPPC from short term variations in revenue, plus outlines the requirements for long term reserves needed to partially fund the expansion of facilities at SPPC in the medium to long term. This policy was adopted by the board in December 2014 and we can report that the current reserves exceed the guidelines of the policy as adopted.
- The A & F Committee, along with Management, engaged an outside consultant to review the performance of Saskatoon Prairieland Park Corp's reserves. The consultant looked at the performance of the various investment managers along with the costs to SPPC of having the reserve funds professionally managed. The results of the review reaffirmed the current investment process used by SPPC. The consultant advised that SPPC's Investment Policy Statement (IPS) included expectations of returns that are not realistic in the current market environment. The IPS will be updated in 2015 to reflect more realistic return goals.

I would like to thank the members of the committee for their contributions to the work of this committee.

The A & F Committee for 2014 included; Stu Irvine, Cory Thoms, and Eric Olauson, as well as our chair, Trevor Forrest.

Respectively submitted.

Chair – Stuart McDowell



GOVERNANCE/MEMBERSHIP COMMITTEE REPORT

2014 completed my second term with the new Governance/Membership structure, and I'm pleased to have worked with an active committee. As was reported to the Board of Directors at the March meeting, as time progresses, and we witness strong growth in Prairieland Park, the greater the need becomes for diligent governance. We learned lots throughout the year, and we feel that decisions that we made were for the betterment of our organization. There are interesting twists and turns coming at us all the time!

One of the latest issues we had to deal with was how to handle unclaimed 50/50 winnings. We feel the solution that was arrived at will benefit the community as well as raise the profile of Prairieland Park. Also, we evaluated certain Bylaws but no decision on changes have been made to date. We will continue to review them as needed.

In an attempt to recruit the best Board members possible we have constructed a Board Matrix. In 2014 the board adopted a new policy to elect the Board Chair and Vice Chair at our March meeting, therefore we will be announcing the new Chair and Vice Chair at the Annual General Meeting. We are also bringing forth four quality candidates that we feel will compliment our board for 2015/2016.

At our quarterly committee meetings, our CEO, Mark Regier brings forward pertinent issues that have arisen, to be discussed at committee level. They are then brought forward to the board. No decision is made lightly. Our goal is to think about what is best for the organization and we are always thinking of the members.

On the subject of members, we have been presented with new member applications throughout the year. At our last meeting, we had 12 new membership applications. This is very exciting, as new enthusiastic members are vital to the future of Prairieland Park. If you know of anyone that is interested in joining us, they can print out an application on our website or visit our office to fill one out. Our website is www.saskatoonex.com.

It has been a pleasure to serve as the chair of the Governance/Membership Committee and work with Steve Chisholm, Larry Sommerfeld, and Jack Brodsky as well as our chair, Trevor Forrest.

Respectfully submitted,
Daymond Volk, Chair



SITE DEVELOPMENT COMMITTEE REPORT

The Site Development Committee works with Saskatoon Prairieland Park management to annually identify and prioritize significant current and future infrastructure projects for the betterment and sustainability of Prairieland Park, enabling Prairieland to better serve the needs of its clients/customers and the Saskatoon community. The committee makes recommendations to the Prairieland Park Board for approval such that management can carry out the plan. Ongoing and planned facility enhancements and significant maintenance projects allow Prairieland to continue to deliver and improve on excellent programs for the diverse community Prairieland serves, ranging from horse racing and the agriculture sector to trade shows, the Exhibition, and corporate and private functions. We are proud of our facilities and work hard to keep them sharp and improved.

Prairieland Park annually re-invests a portion of cash generated from overall operations into facility upgrades, improvements and maintenance. With excellent overall financial results in recent years and recognizing increasing costs in the Saskatoon region and the need for certain significant basic infrastructure repair, replacement and upgrade, the budget for the past three years has been \$1.5 million. As a guideline on an ongoing basis, approximately one half of the budget is utilized for basic infrastructure repair and enhancement (the sort of things members and clients really don't see, e.g. water, sewer and electrical with the remaining half allocated to facility enhancement. We also recognize that "unplanned" issues emerge, thus keep the process throughout the year somewhat fluid allowing for reallocation as required.

Major projects completed in 2014 included an expansion of the Kidsville area in the midway and improvements to the grandstand concession area roadway which accounted for approximately 35% of the budget. Also, a much needed replacement of the race track base - approximately 25% of the budget. At approximately 15% of the budget, and as part of ongoing plans that will reach into the future, the outdoor theatre was demolished and planning begun for a significantly enhanced Ruth Street main entrance. This year's "emerging" projects for which approximately 15% of the budget was re-allocated included remedial paving of a major waterline and remodelling the Ag Center sewer line to avoid ongoing problems with freezing during winter use, leaving approx. 10% for general improvements including landscaping, new and replacement trees and the like.

Prairieland management and staff are to be complimented in that none of the major projects undertaken in 2014 exceeded budget by more than some 10% with most under budget by 5 – 10% and most important, the total budget was on target.

Significant projects planned for 2015 include additional midway washrooms and lighting; renovations to the Terrace Room; a new paddock and saddling area for Marquis Downs; initiation of improvements to the Ruth Street entrance to improve traffic flow including the start of a project to provide a new RV park at the south end of Prairieland Park; paving and improved lighting at the Grandstand and Prairie Patio enhancements. Finally, the largest project for 2015 will be a major and near to final upgrade of Prairieland Park's electrical infrastructure to which some 50% of the 2015 budget will be allocated. Once complete in 2015/2016 (with a relatively minor electrical project at the south end of the park pending for 2016 +) our significant 5+ year effort and expenditure to upgrade Prairieland's electrical grid will be finished meaning these expensive projects should be well in hand for decades to come.

Looking further into the future discussion continues regarding ongoing upgrades to our exhibition and racing facilities as well as the possibility of a significant expansion of exhibition capabilities in the form of another large trade show building. As always facilities maintenance and upgrades around SPPC is an exciting area of endeavour and it was a privilege to chair the 2014 site development committee of Curtis Gulka, Dwight Buchholz, Don Hrapchak, Wayne Heiser, Korilee Burgess, Betty Willms and Mark Regier, as well as our chair, Trevor Forrest.

Respectfully submitted,
Brian Rossnagel, Chair

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
AgriCard Finance
Agriculture Producers Assoc. of Saskatchewan
Astro Towing
Bacardi Canada
Barndog Productions Inc.
BASF
Bayer CropScience
Beachcomber Hot Tubs
Beam Suntory
Becker Underwood
Buhler Industries
Burger King
C95
Calidon Leasing
Canada Safeway Ltd.
Captive Audience
Cargill
Cervus Equipment
City of Saskatoon
City of Saskatoon Environmental Services
CJWW
CJYM / CFYM
CKOM 650
Conexus Credit Union
Constellation Brands
Cowtown
Creeland Mini Mart
Crop Production Services
CTV Saskatoon
Dairyland Agro
DFI
Dick Bonnycastle

Dow AgroSciences
Dupont
Dupont Pioneer
Early's Farm & Garden Centre Inc.
Enterprise Rental
Farm Credit Canada
FMC
Global Television
Handy Special Events
Heagy Altrogge Matchett & Partners
HJR Asphalt
Jubilee Ford
Koch Ag Services
Loraas Disposal
LS Energy Ltd
Mac's Convenience Stores
Magic 98.3
Market Tire
Masterfeeds
McCain Foods
MD Ambulance
Merck
Merial
MNP
Monsanto
NAERIC
National Bank of Canada
National Smokeless Tobacco
National Leasing
North American Midway Entertainment
Novozymes
Nufarm
Old Dutch Foods

Omega Alpha
Pharmasave
Pizza 73
RBC Financial
Richardson Pioneer
Roadtrek Motorhomes
Rock 102
Rocky Ridge Ranch
SAASE
Sask Cattleman's Association
Sask Credit Unions
Sask Energy
Sask Milk
Sask Ministry of Agriculture
Saskatchewan Blue Cross
Saskatchewan Lotteries
Saskatoon Blades
Saskatoon Fire & Protective Services
Saskatoon Police Service
SGI
Sysco
The Bull 92.9
The Star Phoenix
Top Crop Manager
Toyota Tundra Tour
United Group of Companies
Vet Teaching Hospital - U of S
Western Producer Publications
Wireless Age

2014 PRAIRIELAND EVENTS

Western Canadian Crop Production Show

January 13 – 16, 2014

The 31st Crop Production show was sold out again with approximately 25 companies on the waiting list. The new on-line application process was well received by exhibitors and worked well for us as show managers. Total show booths were 1024 indoor and 16 outdoor, which represented 336 companies. Our attendance was 18,693. The Precision Ag Seminar attracted 140 participants and was a highlight of the show. We have completed a participant survey and 92% of participants indicated that the information was current to their farm operation.



Saskatchewan Equine Expo

February 14 – 16, 2014

In excess of 9,000 horse enthusiasts passed through the doors at Saskatoon Prairieland Park for the 3rd annual Saskatchewan Equine Expo. The three-day event presented in partnership with the WCV and the SHF, featured educational seminars presented by the Western College of Veterinary Medicine, clinicians Jonathan Field and Connie Dorsch, Canada's Ultimate Cow Horse Competition, seven breeds competing in the first Battle of The Breeds, a demonstration by the Mounted Cow Dog Association and Sanquine Clydesdale Heavy Horse Hitch, an industry trade show and the highlight of the weekend, the Trainers Challenge. The Friday and Saturday evening Equine Extravaganza thrilled a standing room only audience.



Youth Leadership Conference

February 22-23, 2014

The theme of the conference was Conflict Resolution with 47 senior applicants ages 14 – 21 and 17 juniors ages 11-13. Activities began on Saturday with a presentation by Murray Walker of Saskatoon. Then the 4H members were divided into teams and worked out their own strategies for resolution to specific scenarios. Three judges were challenged to assign marks to the participants by observing the teams as they worked as well as an interview that was conducted on Saturday evening as part of the final marks. Murray Walker was also the guest speaker at the awards banquet concluding the program on Sunday evening.



Western Canadian Championship Snow Drag Races

March 7- 8, 2014

In 2014, the Straightline Snowmobile Racing Association and Prairieland Park teamed up to host the Western Canadian Championship Snow Drag Races in Saskatoon at Marquis Downs Racetrack.

Mother Nature did not provide any support for this event as there was minimal snow fall in February and warm temperatures leaving a dirt track to deal with. Two weeks of snow hauling and manpower provided a perfect surface for this championship event.

The challenges did not end there, going into the March 1st and 2nd weekend the temperature and wind chill dipped to the minus 50's which was far too extreme to go ahead with this outdoor event so it was postponed to the following weekend (March 8 & 9).

Even with all the challenges it was a great event with sleds competing from Manitoba and Alberta as well as Saskatchewan. Fans from Saskatoon and area were treated to a great weekend of speed and excitement.

In 2015 the event will go back to a single day event and again be hosted at Prairieland Park Marquis Downs Racetrack on Saturday, March 7th and we are hoping for much better weather this year.



GARDENSCAPE ... Growing With You for 25 Years!

March 28 - 30, 2014

Gardenscape celebrated its 25th Anniversary in 2014 and in celebration of this milestone we brought back the very popular Butterflies and Blooms live exhibit. This walk-through exhibit featured over 5,000 live, exotic and native butterflies and was surrounded by a beautiful park like garden oasis.

Gardenscape was established in 1990 and has evolved into one of western Canada's premier backyard lifestyle and horticulture shows promoting, educating, inspiring and celebrating all aspects of horticulture and backyard living... In 1990 the show had a handful of booths in the Jubilee Building and grew in a few short years to fill the 40,000 square foot hall. As Prairieland Park grew so did the show and now Gardenscape has in excess of 400 booths and has expanded into 4 halls with a total of 120,000 square feet of trade show and exhibit space.

Some of the successes of Gardenscape are attributed to the strict show criteria. Maintaining this focus over the years has been a challenge at times but the rewards have made it worthwhile. Show patrons and exhibitors have come to appreciate the industry focused exhibits and displays and have endorsed this mandate with increases in both show attendance and exhibitors over the years.

Gardenscape is an excellent example of Prairieland's commitment to support industry and has provided an opportunity for the industry to come-together annually to market and educate the community on products and services.

In 2015, we are very pleased to welcome Saskatchewan Blue Cross as the official title sponsor of Gardenscape (Saskatchewan Blue Cross Gardenscape) for the next three years.

Spring at Prairieland begins March 27 to 29, 2015 as we herald in the upcoming growing season in Saskatchewan.



Saskatchewan Beef Expo

March 22 - 23, 2014

This inaugural event included an education and competition component specifically for youth involved in the beef industry, over 100 youth ages 9 to 21 gathered from across the province to participate. Kirk Stierwalt, world renowned cattle fitter, educator and judge, spent Saturday sharing his secrets to success with the participants and their families. Representatives from Merck, Masterfeeds and the Western College of Veterinary Medicine were also on hand to offer their expertise on topics such as herd health, feed and animal care and proper use of implants. Show ring competitions on Sunday allowed the participants to demonstrate some of the skills they learned on Saturday and use the day as a warm up for their club or regional 4H show.



World Professional Chuckwagon Races

June 5 - 8, 2014

The second annual stop for the WPCA Races in Saskatchewan was on June 5 to 8. We were fortunate to have better weather this year than last and managed to get four full days of races in with just a bit of rain. The only WPCA stop in Saskatchewan proved to be most popular with great crowds each day.



Prairieland Junior Ag Showcase

July 3 - 7, 2014

The Prairieland Junior Ag Showcase provides a fun and interactive environment to strengthen social and interpersonal skills and provide competitive show ring opportunities. Over 250 4-H enthusiasts between the ages of 9 and 21 years, from across Saskatchewan participated in a variety of events including Light Horse, Beef, Dairy, Sheep and Showcase of Arts competitions. The highlight in 2014 was the auction of a donated steer, with proceeds going to the Saskatchewan Children's Hospital. The auction raised a grand total of over \$70,000 which was generously donated by numerous pledges and bids as well as funds being matched by the CN Miracle Match Program.





The Saskatoon EX -- Memories that will last a lifetime!

August 5 - 10, 2014

Saskatoon and Saskatchewan continues to grow and so does the Saskatoon EX. The 128th annual event attracted in excess of 219,000 people and welcomed many new Saskatonians to Saskatchewan's largest summer festival.

Fairgoers were treated to 5 spectacular Grandstand concerts kicking the week off with Johnny Reid then Walk Off The Earth, Billy Talent and local celebrities The Sheepdogs. Saturday night rocked with the iconic sound of Pat Benatar and Neil Geraldo. Sunday was all about tough guys and tough cars featuring the 8th Annual Saskatoon EX Strongman Competition and the Crash'n Bash Demolition Derby.

Families at the EX had many new features to entertain the kids including an expanded Kidsville area and many new family features in the Hall E Fun Zone. The Saskatchewan Blue Cross Show Stage was once again standing room only for the spectacular LUZ featuring laser lights and illusion and afternoons with My Little Pony, Dora and The Equestria Girls all had the kids dancing with joy.

Each day the evening was capped off with a spectacular firework display under the clear skies and bright moon. Plans are well underway for the 2015 event to be held August 4 to 9. Thank you to all who helped to make the 2014 event such a success and created memories that will last a lifetime.

AG-EXperience for Students

October 7 - 9, 2014

We held another successful AG-Experience for Grade Four students October 7, 8, & 9. The event took place at Hall D and the Ag Centre with 680 students taking part. Industry experts and ten Prairieland Park volunteers guided students through stations covering a variety of topics all closely tied to the Saskatchewan curricula. Producer involvement with hands-on interactive sessions allowed students a close-up view of agriculture including animal care, the environment, and how some products are processed. Live cow milking and sheep herding and a Healthy Activity Station have become a favorite of both students and teachers. New this year was a Bee Station and Crop Insurance Game. The AG-Experience is presented with support from Saskatchewan Ministry of Agriculture, Sask Milk, and Agriculture in the Classroom.



Special Events for everyone at Prairieland Park

2014 was another busy year for the Special Events Department with a total of fifteen events produced or hosted throughout the year.

Along with the various corporate events, trade shows and touring cabarets, we also produced an outdoor grandstand concert featuring Bryan Adams.

Our Small Business Christmas parties continue to grow each year with a fourth night added in 2014. The year capped off with a hugely successful annual Prairieland Park New Years' Eve "House Party".

2015 already looks like it will be non-stop in the Special Events Department with sixteen events already on the schedule. We are very excited to have a number of clients committing to multiple year agreements on their annual events.



Prairieland Park Ag Centre

The Ag Centre continues to be a hub of year round activity. From November to March there were approximately 50 horses boarding on a full time basis, two riding clubs hosted regular lessons and a number of patrons hauled their horses in to ride when the weather and personal schedules permitted. The balance of the season, from April to the end of October there were events scheduled on almost every weekend.

Marquis Downs

May 30 – September 13, 2014

Marquis Downs once again had another successful thoroughbred race season. Due to inclement weather Marquis Downs was forced to cancel racing on June 20 & 21 and July 25 & 26. Two additional race days were added to the end of the race meet. With that being said, the best was still yet to come. With a strong horse inventory and an extremely competitive jockey colony the race patron witnessed the highest quality of racing that one has seen in recent years. Marquis Downs was scheduled to run 26 days but with the cancellations early in the year only 24 days were run with a purse pool totaling \$784,800. With 392 horses registered to race, 39% of the 193 races that were run offered 8 horses or more. The pari-mutuel handle was \$1,017,955. Wagering online (HPI) generated \$90,905 to bring the total handle to \$1,108,860 for an average daily handle \$46,203 which is a 9% increase over 2013. In 2013 the total handle for 24 days was \$1,040,795 for an average daily handle of \$43,368. The Saskatchewan Liquor and Gaming Authority licensed 541 people in the racing industry of which 105 of those worked at Marquis Downs during live racing.



The 54th running of the Saskatchewan Derby was run on September 6 for a purse of \$20,000. The winner was Alberta invader Time For A Memory who raced at Northland's Park in Edmonton. Time For A Memory dueled for the early lead, then drew clear to defeat hometown favorite Mr. Kalypso to take home the winners share of \$12,000. A standing room only crowd packed the "Downs" and wagered a season high of \$72,445. The total for the evening including online wagering was \$78,856. The staff and management at Marquis Downs would like to thank all of those people who made 2014 a most successful year.

Sports on Tap

2014 started off with quite the bang for us here at Sports On Tap. We eased our way through January with late Christmas parties and staff functions before we headed into February with a bang. Super Bowl XL VIII started off the month with the Seahawks dominating the Broncos. From there we jumped right into the Sochi Winter Olympics. The turnout for the Canadian athletes was unbelievable in those two weeks. It all ended with a bang as the Canadian Men's Hockey team took home the gold on a chilly Sunday morning. The staff was excited to be able to experience such an event with the customers and their teammates alike. From there we of course had another successful beach volleyball season. The amount of team fundraisers, group parties, and individual patrons continues to grow. We look forward to yet another great year and look forward to seeing all who bless us with their presence this upcoming year.



OUR MEMBERSHIP

GENERAL MEMBERS

Thelma Adolph
 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
 Mayor Don Atchison
 Ken Barrett
 Grace Bartzzen
 Neva Bayliss
 Aaron Bazylak
 Art Belanger
 Dwight R. Benning
 Bud Besse
 Anita Betker
 David Bilanski
 Marlys Bilanski
 Cam Bird
 Donna Birkmaier
 Gisele Blanchette
 Kelly Block
 Milton Block
 Joe Bloski
 Ruth Bond-Martinson
 Merv Brand
 Todd Brandt
 Linda Braun
 Norma Briskar
 William Briskar
 Don Bristow
 Jack Brodsky
 Jan Bruce
 Dwight Buchholz
 Ed Buchholz
 Daniel Buday
 Jill Buechler
 Neil Buechler
 Adele Buettner
 Amylia Buettner
 Orrin Bull
 Mel Byblow
 G.R. (Garry) Byers
 John N. Campbell
 Blaine Canitz
 Les Cannam
 Duane Carruthers
 Glenda Carruthers
 Lester Cey
 Ken Cheveldayoff
 Steve Chisholm
 Cory Choponis
 Dorothy Clement
 Wayne Clement
 Gary Coleman
 Bill Cooper
 Francis Crosson
 Doug Daigle
 Troy Davies
 Bill Davis
 Joyce Davis
 Wayne Davis
 Peter Dawson
 Gord Deibert
 Tyson Delorme
 Darren Deminchuk
 Terry Deneiko
 Dana Derenoski
 Shona Dietz
 Eldon Driedger
 Bev Dubois
 Vic Dubois
 Gene Dupuis
 Dave Dutchak
 Judy Dyck
 Wendell Dyck
 Bruce Eaton
 Harold Empey
 Dave Engel
 Gary Evans
 Lynn Evans
 Tony Fabbro
 David Fairlie
 Bob Fawcett
 Don Featherstone
 Marjorie Featherstone
 Maurice Fedorchuk
 Randy Fernets
 Shirley Figley
 Jason Forrest
 Trevor Forrest
 Phyllis Fowler
 Arny Froese
 Shannon Froese
 Fay Gabrielson
 Neil Gabrielson
 Paul Gauthier
 Arden Gibb
 Darlene Gibb
 Trevor Grabowski
 Curtis Gulka
 Al Habicht
 Gordon Haddock
 Norm Hall
 Lou Hammond Ketilson
 Linda Hamre
 Henry Hamre
 Judy Harwood
 Jean Heidt
 Myles Heidt
 Al Hergott
 Diane Hergott
 Merle Hicks
 Ron Hicks
 Anthony Hill
 Ruth Hill
 Fay Hoiness
 Warren Holder
 Frederick Holm
 Michele Houle
 Cheryl Hrapchak
 Don Hrapchak
 Bart Hunter
 Dean Hurlburt
 Delvyn Huyghebaert
 Roxanne Irvine
 Stu Irvine
 Robert Istace
 Donald Johnson
 Sylvia Johnson
 Wilfred Kary
 Darrell Kasahoff
 Deborah Kasahoff
 Joe Kasahoff
 Ralph Katzman
 Douglas Keats
 Gordon Kemp
 Lyla Kempainen
 Toivo Kempainen
 Bob Kenny
 Melanie Kenny
 Neil Ketilson
 Rick King
 Cole Kirby
 Len Klassen
 David Klatt
 Randy Klein
 Andy Klotz
 George Kool
 Frances Korolchuk
 Dr. Effie Kutsogiannis
 Larry Labiuk
 Joan Lasiuk
 Vivian Laturnus
 Don LaVallee
 Norman Lawrence
 Michael LeClaire
 Ronald James Lee
 Sheila Leys
 Richard Letkeman
 Darcy Luoma
 Connie Lynch
 Michael Lynch
 Heather Macdonald
 Gerald MacLeod
 Walter Mah
 Russel Marcoux
 Harold Martinson
 Flo Mawson
 Lois McCormick
 Owen McCormick
 Chuck McCutcheon
 Christen McDonald
 Stuart McDowell
 Brent McFadzen
 Frank McKeown
 Lynda McWatters
 Sterling McWatters
 David Meakin
 Susan Michasiw
 Walter Michasiw
 Brad Michnik
 Michael Millar
 Keith Moen
 Sandy Morgan
 Ron Morris
 Doreen Morrison
 Merv Morrison
 Debbie Murphy
 Lesley Norheim
 Darrell Novakovski
 Derrick Oberhofer
 Eric Olauson
 Charles Olfert
 Sylvia Oliver
 Ian Oliver
 Murray Osborn
 Roberta Palen
 Bill Patrick
 Del Peters
 Todd Peterson
 Jack Phipps
 Steve Pidgurski
 Patrick Pitka
 Darlene Pratt
 Vanessa Price
 Randy Pshebylo
 Hank Pulles
 Terri Rasmussen
 Adrienne Rawling
 Don Regier
 Beatrice Reid
 Rick Reid
 Gail Reynolds
 Linda Reynolds
 Michelle Richards
 Chris Riis
 Margaret Riis
 Len Ritcho
 Ben Robb
 Marlene Rochelle
 Rocky Rochelle
 Sharon Rochelle
 Wayne Rorke
 Shirley Ross
 Brian Rossnagel
 Laurel Rossnagel
 Don Rothenburger
 W.F. (Bill) Ryan
 Linda Saunders
 Arthur Sawatsky
 Al Schell
 Brad Schlosser
 Kim Schmidt
 Murray Schmidt
 Al Scholz
 Steve Shannon
 George Shrimpton
 Brian Sim
 Reta Simpson
 Carol Skelton
 J.N. (Jim) Smart
 Jason Smith
 Julian Smith
 Larry Sommerfeld
 Dana Soonias
 Vern Sparrow
 Keon Sproule
 Edna Start
 James Start
 Irv Stevens
 Marjorie Stevens
 Ron Stevens
 Dawn Stranden
 Kim Stranden
 Pat Stranden
 Dick Strayer
 Bert Sutherland
 Brad Sylvester
 Bob Tait
 Lynn Tait
 Harold Tallis
 Milton Taylor
 Alan Thomarat
 Howard Thomas
 Cory Thoms
 Paul Tiessen
 Allan Tirk
 Tim Tkachuk
 Greg Trew
 Jim Twigg
 Daymond Volk
 Anne Wallace
 Patrick Wallace
 JoAnne Wasiko
 Kevin Waugh
 Harvey Welter
 Kristy Werner
 Dennis Wiebe
 Haden Wilks
 Rosella Willems
 Willmer Willems
 C.M. Williams
 Cassandra Williamson
 Ken Willms
 Lynne Yelich
 Bernie Yuzdepski
 Peter Zakreski
 Reynold Zeiler
 David Zolinsky

CORPORATE MEMBERS

Centennial Food Service
 Cheung On Investments
 Culligan Water Conditioning
 Early's Farm & Garden Centre Inc.
 Global Television
 Greater Saskatoon Chamber of Commerce
 Handy Group
 Horizon Computer Solutions Inc.
 Innovation Place
 Maxie's Excavating Ltd.
 Ramada Hotel
 Saskatoon Fastprint Ltd.
 U of S College of Agriculture
 Western Development Museum

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SASKATOON PRAIRIELAND PARK CORPORATION

We have audited the accompanying financial statements (the "financial statements") of Saskatoon Prairieland Park Corporation (the "Corporation") which comprise the statement of financial position as at December 31, 2014 and the statements of operations and 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 accounting standards for not-for-profit organizations, 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.

Auditor's 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 auditor's 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 entity'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 entity'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 Corporation as at December 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants

March 4, 2015
Saskatoon, Saskatchewan

SASKATOON PRAIRIELAND PARK CORPORATION
STATEMENT OF FINANCIAL POSITION
as at December 31, 2014

	Notes	2014	2013
CURRENT ASSETS			
Cash		\$ 1,934,558	\$ 806,968
Marketable securities	4	5,729,403	4,283,334
Accounts receivable	5,10	600,792	522,624
Inventories	6	270,861	258,174
Prepaid expenses		164,893	296,776
		<u>8,700,507</u>	<u>6,167,876</u>
PROPERTY AND EQUIPMENT	7	<u>18,679,987</u>	<u>18,692,356</u>
		<u>\$ 27,380,494</u>	<u>\$ 24,860,232</u>
LIABILITIES AND NET ASSETS			
Accounts payable and accrued liabilities		\$ 1,393,611	\$ 1,173,081
Customer deposits		1,311,031	1,110,510
Government remittances payable		85,946	83,620
Current portion of long-term debt	8	400,000	414,000
		<u>3,190,588</u>	<u>2,781,211</u>
Long-term debt	8	4,433,333	4,791,485
		<u>7,623,921</u>	<u>7,572,696</u>
NET ASSETS			
Net assets invested in property and equipment		13,846,654	13,486,871
Net assets, unrestricted		5,909,919	3,800,665
		<u>19,756,573</u>	<u>17,287,536</u>
		<u>\$ 27,380,494</u>	<u>\$ 24,860,232</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 AND NET ASSETS
year ended December 31, 2014

	Notes	2014	2013
REVENUE			
Marquis Downs and Sports on Tap Programs		\$ 5,286,246	\$ 4,635,535
Administration	4,9	<u>12,705,493</u>	<u>11,647,604</u>
		<u>3,551,439</u>	<u>3,545,264</u>
		<u>21,543,178</u>	<u>19,828,403</u>
EXPENDITURES (Schedule)			
Marquis Downs and Sports on Tap Programs		5,118,948	4,831,456
Administration		<u>10,838,437</u>	<u>10,211,730</u>
		<u>3,116,756</u>	<u>2,856,918</u>
		<u>19,074,141</u>	<u>17,900,104</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
Marquis Downs and Sports on Tap Programs		167,298	(195,921)
Administration		<u>1,867,056</u>	<u>1,435,874</u>
		<u>434,683</u>	<u>688,346</u>
		<u>2,469,037</u>	<u>1,928,299</u>
NET ASSETS, BEGINNING OF YEAR		<u>17,287,536</u>	<u>15,359,237</u>
NET ASSETS, END OF YEAR		<u>\$ 19,756,573</u>	<u>\$ 17,287,536</u>

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

SASKATOON PRAIRIELAND PARK CORPORATION
STATEMENT OF CASH FLOWS
year ended December 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 2,469,037	\$ 1,928,299
Items not affecting cash and unrealized gain		
Amortization of property and equipment	1,886,086	1,649,413
Unrealized gain in market value of marketable securities	(303,717)	(372,494)
Changes in non-cash working capital	464,405	236,306
	<u>4,515,811</u>	<u>3,441,524</u>
INVESTING ACTIVITIES		
Cash interest received reinvested	(142,352)	(151,585)
(Purchase) disposal of marketable securities	(1,000,000)	1,000,000
Additions to property and equipment	(1,873,717)	(3,921,627)
	<u>(3,016,069)</u>	<u>(3,073,212)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(5,205,485)	-
Proceeds from long-term debt	5,200,000	-
Repayment of long-term debt	(366,667)	(414,000)
	<u>(372,152)</u>	<u>(414,000)</u>
NET INCREASE (DECREASE) IN CASH	1,127,590	(45,688)
CASH POSITION, BEGINNING OF YEAR	806,968	852,656
CASH POSITION, END OF YEAR	\$ <u>1,934,558</u>	\$ <u>806,968</u>

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

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2014

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:

Revenue Recognition

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. Management fees are recognized as revenue when received or receivable. Customer deposits received for events are deferred until revenue is recognized.

Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is measured at amortized cost except for short-term and long-term 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.

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.

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 paving	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.

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.

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, provisions and contingencies.

3. LINE OF CREDIT

The Corporation maintained an authorized line of credit of \$1,000,000. At December 31, 2014, there was \$nil drawn against the line of credit. Interest on any outstanding credit is calculated at prime. The line of credit is secured by the assets of the Corporation.

4. MARKETABLE SECURITIES

In 2014, \$303,717 (2013 - \$372,494) was reported as an unrealized gain in administration revenues on the statement of operations and net assets.

The marketable securities are comprised of listed equities and bonds. Bonds earn interest at rates between 1.48% and 6.98% (2013 – 1.41% and 6.98%) with maturity dates between 3-94 years (2013 – 2-95 years).

	<u>2014</u>	<u>2013</u>
Bonds	\$ 2,227,396	\$ 1,387,461
Listed shares	3,502,007	2,895,873
	<u>\$ 5,729,403</u>	<u>\$ 4,283,334</u>

5. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Trade	\$ 513,790	\$ 468,957
Other	87,002	53,667
	<u>\$ 600,792</u>	<u>\$ 522,624</u>

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2014

6. INVENTORIES

	<u>2014</u>	<u>2013</u>
Food	\$ 143,062	\$ 128,234
Alcohol	111,896	118,847
Other	15,903	11,093
	<u>\$ 270,861</u>	<u>\$ 258,174</u>

The inventories recognized as an expense during the year amount to \$2,642,419 (2013-\$2,382,848).

7. PROPERTY AND EQUIPMENT

	<u>2014</u>			<u>2013</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 23,318,510	\$ 12,916,368	\$ 10,402,142	\$ 10,887,177
Equipment	9,922,027	7,913,523	2,008,504	1,711,442
Leasehold improvements	1,453,323	430,263	1,023,060	976,891
Roads	9,377,748	4,161,713	5,216,035	4,513,825
Capital projects in progress	19,414	-	19,414	140,473
Site development	10,832	-	10,832	462,548
	<u>\$ 44,101,854</u>	<u>\$ 25,421,867</u>	<u>\$ 18,679,987</u>	<u>\$ 18,692,356</u>

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

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2014

8. LONG-TERM DEBT

	2014	2013
Term demand loan payable; repaid in the current year.	\$ -	\$ 2,925,485
Term demand loan payable; repaid in the current year.	-	1,080,000
Term demand loan payable; repaid in the current year.	-	1,200,000
Term demand loan payable in monthly instalments of \$33,333 principal plus interest at prime; maturing in April of 2027; secured by the assets of the Corporation.	4,833,333	-
	4,833,333	5,205,485
Less current portion	400,000	414,000
	\$ 4,433,333	\$ 4,791,485

On January 24, 2014 term demand loans of \$5,205,485 were repaid and a new debt facility agreement was entered into with the Bank of Montreal. This new facility carries interest at prime and repayment is to be made at \$400,000 per annum.

On February 25, 2015, 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 (2013 - \$2,600,004) was received in the current year and recorded as management fees within administration 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, 2014

10. 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, accounts receivable, and long-term investments 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 (2013 - \$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, 2014 the most significant financial liabilities are accounts payable and accrued liabilities and long-term debt.

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.

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2014

11. 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, 2014

	2014	2013
Advertising and promotion	\$ 438,479	\$ 406,330
Administration and office	470,074	448,293
Amortization of property and equipment	1,886,086	1,649,413
Contracted services	1,529,163	1,393,469
Cost of sales	2,642,419	2,382,848
Equipment rental	282,419	252,227
Host track fees	446,030	418,686
Insurance	171,248	180,345
Interest expense on long-term debt	154,197	190,597
Licenses and permits	20,544	19,608
Professional fees	48,897	39,030
Purses and prize money	899,386	863,230
Racing tote, data lines, and decoders	278,320	296,522
Repairs, maintenance, and supplies	885,034	1,027,491
Utilities	1,025,064	917,638
Wages and benefits	7,896,781	7,414,377
	<u>\$ 19,074,141</u>	<u>\$ 17,900,104</u>

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

PrairieLand Park



