

2013 ANNUAL REPORT



Entertainment

First-Rate
Customer
Service

Superior
Facilities



Premiere
Events

Saskatoon Prairieland Park
Corporation

Saskatoon Prairieland Park Corporation

2013 Annual Report

TABLE OF CONTENTS

Message from the Chair, Volunteer Board of Directors	2
Mission Statement, Volunteer Board of Directors, and Officers	3
Chief Executive Officer Report	4
Prairieland Park Staff	5
Board Committee Reports.....	6
Our Partners	9
Events Overview	10
Our Members.....	13
Auditors' Report.....	14
Statement of Financial Position	15
Statement of Operations and Net Assets	16
Statement of Cash Flows	17
Notes to the Financial Statements	18
Schedule of Expenditures	26

MESSAGE FROM THE CHAIR, VOLUNTEER BOARD OF DIRECTORS

Saskatoon Prairieland Park is coming off another great year. Mark Regier and his outstanding team continue to respond to the growth in our community and its expanding needs and wants.

Your Board is coming off another very good year as well. Our three standing committees have addressed our growth by providing excellent oversight of their areas, including our newly named Governance and Membership Committee.

2013 also saw the expiration of our last Strategic Plan and your Board participated in developing a new five-year plan that will guide the organization through to 2018. In fact, we did not have to reinvent ourselves in any significant way because the organization is pretty much operating on all cylinders. Hence, except for some tweaking, our new plan is much about staying the course.

This annual meeting will mark the end of my tenure as Chair of the Board of Prairieland Park and I want to thank the membership for entrusting me with this position. It has been my honour to serve you and our great community in this way and I am proud to join the illustrious group of Past-Presidents who have served this organization.

I want to thank the superb group of people on the Board. Your commitment to the cause and leadership in all areas has made my job as Chair an absolute pleasure. Prairieland Park is in great hands.

Finally, I want to thank Mark Regier and his team for the excellent work they do in keeping this organization operating at its peak. Prairieland plays a large role in the identity and the culture of our city and everyone on this team understands this and does their part to keep us relevant and moving forward.

Congratulations and thanks to everyone.



Jack Brodsky - 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 – Jack Brodsky

Past President – Adele Buettner

Vice Chair – Trevor Forrest

Audit/Finance – Stuart McDowell

Site Development – Larry Sommerfeld

Governance/Membership – Brian Rossnagel

Chief Executive Officer – Mark Regier

Chief Financial Officer – Dan Kemppainen

Executive Assistant – Betty Willms

Auditors – Deloitte



Back Row: Stuart McDowell, Stu Irvine, Cory Thoms, Dwight Buchholz

Middle Row: Betty Willms (Exec. Ass't.) Curtis Gulka, Daymond Volk, Don Hrapchak, Brian Rossnagel, Adele Buettner

Front Row: Trevor Forrest (Vice Chair), Jack Brodsky (Chair), Mark Regier (Chief Executive Officer)

Missing: Larry Sommerfeld, Eric Olausen (City of Saskatoon Representative)

CHIEF EXECUTIVE OFFICER REPORT

PrairieLand Park continues to play a significant role in providing new opportunities in business marketing, cultural celebrations, and enjoyable entertainment. Throughout 2013, the programs and events held at PrairieLand Park continued to grow with new industry shows, more banquets and gala evenings, plus added special entertainment.

With the support of the Board of Directors, an ambitious project was undertaken in renovating the main foyer of the Trade & Convention Centre. The shuffling of events to allow the contractor's time to complete the project required careful planning and cooperation from our clients. The end result has been overwhelming. Comments received have been extremely positive and very complimentary proving that the investment was necessary for our continued success and growth.

The elimination of the provincial racing grants and the corresponding pari-mutuel tax posed some challenges in 2013. Although the number of race days was reduced from 30 to 26, live wagering was the highest in recent times at \$954,827. The three Off Track Betting theatres (Regina, Prince Albert & Saskatoon) wagered a total of \$6,609,893. HPI (Horse Player Interactive) internet wagering was \$2,146,833 for a total provincial handle of \$9,711,553. With the horse inventory lower than in past seasons, every effort by the horsemen and trainers was put to the test to provide an average of 7.36 horses per race throughout the meet. Added marketing plans backed by the media groups of Saskatoon, was a huge success increasing awareness which resulted in packed crowds each evening. We wish to thank all of our supporters for the great season and we look to 2014 with great optimism.

The programs produced at PrairieLand Park this year continued to provide the latest in information and technology, youth development and education, plus a variety of entertainment options. The Western Canadian Crop Production Show continues to be a "must see" for producers with sold out exhibit space and increased attendance each year. Our newest show - SK Equine Expo is a major attraction with all equine enthusiasts. It provides education, entertainment and a unique trade show which continues to expand. The PrairieLand Youth Leadership, Ag Experience and Jr. Ag Showcase all provide unique learning experiences. A review of Gardenscape has brought forth some new and exciting ideas that will start with the 25th anniversary of Gardenscape in 2014.

The 2013 EX was another success with 220,008 in attendance. Fairgoers lined up for midway rides and enjoyed an amazing array

of concession food. Annual planning of the entertainment package is carefully designed to provide something for everyone. The grandstand performances were well received along with the shows on the SK Blue Cross stage. Improvements are proposed in 2014 that will include expanding Kidsville to join the main midway. An RV park area is also proposed that would see the move of exhibitors from the current area to a dedicated area along the service road. Both projects illustrate our commitment to making the EX the best fair it can be.

2014 will be the start of our second 5-year Strategic Plan with goals and objectives established to help guide the corporation to further growth potential. It is with gratitude that we acknowledge the support and dedication of the Board of Directors, show committees, volunteers and our membership. The support received is vital in assisting management and staff to produce events, acquire new business, and continue to develop PrairieLand Park to its fullest potential. I wish to express my sincere appreciation and thanks for another great year at PrairieLand Park.



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 Services, Agriculture, and Rentals departments.



Wayne Heiser

Director - Facilities

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

2013 Salaried Staff

Executive Office

Mark Regier – Chief Executive Officer
Betty Willms – Executive Assistant
Sharon Preston - Manager - Human Resources
Donna Bohrson – Manager - Marketing
Shandra Liss - Marketing Co-ordinator
Claire Letendre - Web Designer/Developer
Shirlee Olekson – Receptionist

Finance Department

Dan Kemppainen – Chief Financial Officer
Shawn Irwin – Manager - Information Technology
Paulette Pellerin – Payroll Officer
Korilee Burgess – Accounting Technician
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 Services Department

Sharon Odnokn - Manager - Food Services
Erin Clark – Assistant Manager Food Services
Eliot Lang- Executive Chef
Samantha Arsenault - Supervisor
Dana Miller - Supervisor
Greg Hartz - Supervisor
Shelly Domonkos - Supervisor
Greg Monson - Supervisor

Agriculture Department

Lori Cates - Manager - Agriculture
Brenda Sapergia – Manager - Livestock
Leigh Ann Hurlburt - Agriculture Administrator
Jackie Frovarp – Agriculture Assistant (Aug)
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 - Live 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
Orest Kindrachuck – Electrician
Dave Jack - Carpenter
Terry Dolphin – Mechanic
Garth Sommerfeld – Operations Personnel
Adam Bogucki – Operations Personnel

Sports on Tap

Amy Schindelka - Manager

AUDIT/FINANCE COMMITTEE REPORT

As a Not for Profit Corporation, SPPC does not report Net Income, but rather reports Excess of Revenues over Expenditures.

For the year ending December 31, 2013, SPPC reported \$1,928,299 in Revenue in Excess of Expenditures, and increase of 2.7% over the 2012 results. Revenue in Excess of Expenditures plus Non-Cash items (principally Amortization of Assets) equals the Cash Flow of the Corporation which totalled \$3,441,524 for 2013, and increase of 7.7% year over year.

The Cash Flow of SPPC is used in 3 main areas; 1) Re-investment in facilities and equipment at SPPC (which totalled \$3,921,627 in 2013), 2) Repayment of long term debt (totalling \$414,000 for 2013), and 3) Changes to the Reserve Funds held by SPPC.

Expenditures on facilities and Equipment of \$3,921,627 may appear high in comparison to previous years, but is a result of timing of various projects, including the renovations to the Foyer which overlapped year ends. The timing/ completion of Site Development projects resulted in funds allocated to Capital Expenditures being temporarily invested in Reserve Funds in 2012 and then drawn out in 2013 as those projects were undertaken/completed.

Early each fiscal year the Audit and Finance Committee reviews annual budgets prepared by Management and then recommends those budgets to the Board. At A & F meetings during the balance of the year, the comprehensive financial reporting prepared by Management is closely compared to the approved budgets with any differences fully explored.

The financial statements of Saskatoon Prairieland Park Corporation are audited by an external accounting firm. The Audit and Finance Committee receives and approves the audit plan as prepared by the external auditor and subsequently fully reviews the results of the audit. Consistent with previous years, the financial statements of SPPC have received a "Clean" audit report.

On behalf of the Audit and Finance Committee, I would like to thank management for their actions in driving the ongoing strong financial performance of SPPC and their attention to detail in their reporting to this committee.

I would further thank the members of the Audit and Finance Committee, Don Hrapchak, Daymond Volk, Curtis Gulka, and Jack Brodsky for their contributions to the work of this committee.

Respectively submitted.

Chair – Stuart McDowell



GOVERNANCE/MEMBERSHIP COMMITTEE REPORT

2013/14 saw a major change to what, for a number of years, has been the Membership Committee. Following a Board of Director's special session on Board Governance it was unanimously agreed that Prairieland Park Corp. needed a standing committee regarding governance. Rather than create a stand alone committee it was agreed that a new standing committee covering both governance and membership was appropriate.

The Governance and Membership committee ensures the 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.

The Governance and Membership committee was formed with members Dwight Bucholtz, Cory Thoms, Adele Buettner and Brian Rossnagel and, after developing its new terms of reference during the summer of 2013, the committee worked diligently to undertake its mission under two themes:

Governance:

During the year the committee undertook a complete review of the corporation's By-laws and Policies. This resulted in one recommendation to the Board for a change to the Bylaws which the Board supported and will be brought to the membership at the 2014 annual meeting. The committee reviewed all Board Policies and made a number of recommendations to the Board. Among those is the inclusion of the Executive Committee as a standing committee of the Board with subsequent development of terms of reference. Finally, the committee recommended a new Code of Conduct for Board members to be signed annually as well as reviewing the annual Board Assessment questionnaire, both of which have received Board approval.

Membership:

As a community driven organization Prairieland Park has and must have a strong, competent and willing membership base. The membership has and continues to provide a strong core of Prairieland volunteers, is the base for Board of Directors' recruitment and provides guidance to the Board on the operations and future of Prairieland Park.

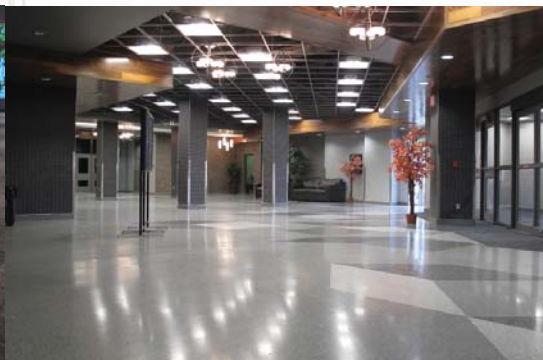
Prairieland's success depends on its relationship with the Saskatoon and area community via our membership and other events and activities. A key activity is Prairieland's Community Partners Program which during 2013/14 was a collaboration with Cosmopolitan Industries. For 2014/15 our community partner will be the Canadian Red Cross.

Prairieland Park Corp's membership base remains strong at just over 300. During the year eighteen new members were recommended to and approved by the Board and efforts continue to recruit strong, visionary new members for the corporation.

I want to thank the committee members noted above as well as Prairieland staff Mark Regier and Betty Willms for their work on the committee. I would also thank each and every Prairieland Park member for your continuing support of this very successful Corporation which continues to add greatly to the growth and vibrancy of the Saskatoon community.

Respectfully submitted

Chair – Brian Rossnagel



SITE DEVELOPMENT COMMITTEE REPORT

Your Board at Saskatoon Prairieland Park continues to be impressed with the high quality and variety of patrons the management and the staff continue to attract to the City and to your Prairieland facilities. Along with the great productions that SPPC puts on and the groups that use our park comes the fun job of trying to keep our grounds and facilities current both in functionality and appearance and this is where the Site Development Committee have such a rewarding task.

One of the most noticeable changes that all have been impressed by, is the completion of a 2012 project the foyer in the main building. This project was a first-class upgrade and came in just slightly over budget at \$1.4 million. As we anticipate for future growth and target some new improvements, the committee endorsed for 2013 projects like the expansion of washroom facilities near our grandstand and the construction of a new structure for our beer gardens. Although the beer garden project was held up a bit and was not in place for the EX, it has been completed and should function well for us in the future. There has been some new lighting and landscaping taking place with about 60 new trees being planted. A new reader board is flashing our events along the new south bridge roadway and the preliminary ground work has been completed south and west of the show ring. Upgrades have been done in Hall B and to Marquis Downs with improvements that included electrical work, washrooms, roof, doors, fence, paint, and other face lifts. A project you may not have noticed is the replacement of the main water line within the park with paving over that work area to happen in 2014. Our budget of \$1.5 million for 2013 has been met pretty much right on target.

Next year holds some real exciting possibilities with the new site committee pondering such projects as:

- * an expansion of Kidsville
- * improvements to the roadway into the grandstand
- * outdoor theatre demolition
- * new RV site
- * grandstand improvements
- * upgrade to the base on the race track
- * landscaping and paving

In the years to come – watch for things like: many more building upgrades, electrical and infrastructure improvements, maybe a new main entrance to the park, better road access in and out, a spray park, a new corridor along the front of the Trade Centre, perhaps an additional trade building, and wouldn't a sky ride captivate exhibition patrons! These are exciting times around SPPC and what a privilege to be on the past year's committee Jack Brodsky, Stu Irvine, Trevor Forrest, Eric Olausen and the team of Mark Regier, Wayne Heiser and Betty Willms. It was a great year!

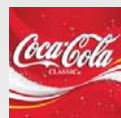
Respectfully,

Larry Sommerfeld, 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



PARK TOWN HOTEL



Event Partners

96.3 CRUZ FM

AgriCard Finance

Agriculture Producers Assoc. of Saskatchewan

Alfred Lavallee Memorial

Assante Wealth Management

Astro Towing

Bacardi Canada

Barndog Productions Inc.

BASF

Bayer CropScience

Beachcomber Hot Tubs

Beam Global Canada

Becker Underwood

C95

Calidon Leasing

Canada Safeway Ltd.

Captive Audience

Cargill

Chicken Farmers of Saskatchewan

City of Saskatoon

City of Saskatoon Environmental Services

CJWW

CJYM / CFYM

CKOM 650

Claypool's Boot & Jean

Conexus Credit Union

Creeland Mini Mart

Crop Production Services

CTV Saskatoon

Dairyland Agro

Degelman Industries

DeLaval Dairy

DFI

Dick Bonnycastle

Diversified Electric

Dow AgroSciences

Dupont

Dupont Pioneer

Early's Farm & Garden Centre Inc.

Enterprise Rental

Farm Credit Canada

FMC

Frank's Red Hot

Global Television

GMC

Handy Special Events

Heagy Altrogge Matchett & Partners

Jubilee Ford

LS Energy Ltd

Mac's Convenience Stores

Magic 98.3

Maple Leaf Foods

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

Nufarm

Old Dutch Foods

Omega Alpha

Prairie Mobile Communications

RBC Financial

Rhein Holsteins

Richardson International

Roadtrek Motorhomes

Rock 102

Rocky Ridge Ranch

RST Maintenance

SAASE

Sask Bison Association

Sask Canola Development Comm.

Sask Cattleman's Association

Sask Credit Unions

Sask Energy

Sask Milk

Sask Ministry of Agriculture

Sask Pork

Sask Turkey Producers

Saskatchewan Blue Cross

Saskatchewan Holstein Branch

Saskatchewan Lotteries

Saskatoon Blades

Saskatoon Co-op Agro Centre

Saskatoon Fire & Protective Services

Saskatoon Police Service

Saskatoon Symphony Orchestra

Sharp Auto Trim

SGI

Sysco

The Bull 92.9

The Star Phoenix

TJ's Pizza

Top Crop Manager

United Group of Companies

Vet Teaching Hospital - U of S

Vincor Canada

Western Producer Publications

2013 PRAIRIELAND EVENTS

Western Canadian Crop Production Show

January 7 – 10, 2013

“Growing with you for 30 years” was the slogan for the 30th Anniversary of the Western Canadian Crop Production Show. The success of the event is evident with another sold out trade show and record attendance of over 20,000. Features such as the “Spraying Innovations – Crop Technology Clinic” and “Production Agronomy Sessions” were well attended and offer value added for information for producers.

To recognize long term exhibitors a special presentation took place at the exhibitors mixer and 22 companies were introduced, who had participated in the show for 25 years and 30 years.

Saskatchewan Equine Expo

February 15 – 17, 2013

The second annual event in partnership with the Western College of Veterinarian Medicine and the Saskatchewan Horse Federation was once again a huge success. This years’ event included the ever-popular Trainer’s Challenge, demonstrations by the Hunter Jumper Association and the Alberta Donkey & Mule Club as well as a clinic by Paul Dufresne. A new component was the Canada’ Ultimate Cow Horse Competition which was most popular.

The equine related trade show sold out the increased capacity of both Halls B and C.

A bus tour of the new facility, the Ryan/Dube Equine Research Centre was offered on Friday morning with a guided tour for participants.

The Equine Extravaganza that thrilled a standing room only audience was presented on both Friday and Saturday evenings. Over 9,000 patrons passed through the doors.

Youth Leadership Conference

February 23-24, 2013

The Prairieland Youth Leadership Conference is a stand-alone event that draws 50 senior and 10 junior Saskatchewan 4H members from across the province. The 2013 program was a workshop based on Marketing and the value of Social Media. The 50 senior participants spent two full days working on the program with 10 juniors joining one of the teams on Sunday. On Sunday the program wound up with banquet, awards and guest speaker in the afternoon. Prairieland Park again awarded \$8,000 in scholarships to the top 5 competitors.

Gardenscape

March 22 - 24, 2013

Gardenscape was established to promote and support the horticulture industry and has also grown to include outdoor living components. Over the past twenty-four years the show has clearly established its position in the horticulture industry as one of the best trade shows in western Canada. The Backyard BBQ Cooking Show returned in 2013 and continues to meet the high presentation standards already set by the show.

In 2013 a new look and layout was presented which helped to ease the challenges faced with the main foyer renovations and the extremely cold weather. The display gardens were spectacular with trees in full leaf and plants bursting with blooms. The show criteria are reviewed annually to encourage producers of Saskatchewan products to participate in the show. It is a great way of increasing the awareness of buying Saskatchewan and living a healthy lifestyle.

It’s always spring at Prairieland each March as Gardenscape arrives to herald in the upcoming growing season in Saskatchewan.

Western Canada Dairy Expo

April 11 - 12, 2013

Western Canada Dairy Expo provides exhibitors and patrons the opportunity to network and showcase the top milk-producing animals. In spite of fewer animals attending than in past years, the dairy sale averaged \$2300 on 24 live lots.



World Professional Chuckwagon Races

June 6 - 9, 2013

For the first time ever, the WPCA races were hosted in Saskatoon. The weather didn't cooperate and two days of the four had to be cancelled but the days of the races, the stands were full. Plans are in place to run again in 2014.



Prairieland Junior Ag Showcase

July 4 - 8, 2013

4-H members from across the province came together at the Prairieland Park Ag Centre to showcase their current year project and engage in good-natured competition and camaraderie. There were 300 animals on display with competitions with horses, beef & heifer cattle, dairy animals and sheep, as well as 200 entries in the homecraft and woodworking competitions. The Farm Safety Program was presented to the entire group on Friday evening and will continue in 2014. This program was attended by all members as well as parents and leaders



The Ex

August 6 to 11, 2013

The annual Saskatoon EX is still breaking records after 127th years. This year a record attendance took place on Thursday with 43,015 which helped to make the overall attendance for the six days at 220,008. The grandstand shows provided five days of concerts including Big & Rich, Faber Drive, The Offspring, Great Big Sea and the one and only Burton Cummings & Band plus Sunday's Crash'n Bash demolition derby along with Frank's Red Hot's Strongman Competition. The midway was hopping with excitement with the addition of a new spectacular ride the "Mach 3". North American Midway is committed to providing more spectacular rides each year as the ridership continues to climb. Added features are planned for each year to make attending the EX an enjoyable experience. Plans are underway for the 2014 show to be held August 5 - 10. Thanks to everyone who helped make the EX an exciting premiere event for our community.



AG-EXperience for Students

October 7 - 9, 2013

Over 800 grade four students participated in Interactive stations providing a fun, educational, hands-on environment for students to learn about the value and impact of agriculture on their daily lives. Students this year came from as far away as North Battleford - a testament to the success and popularity of the program.

Students have the opportunity to learn about food production, nutrition, animal care, the effect of agriculture on the environment, and career options in the agriculture industry. A scheduled lunch break included a live auction where students had an opportunity to bid and purchase items.

Live animals on display, watching a cow milking demonstration and the very popular sheep herding demonstration have the children in awe.

Prairieland Park presents this event in partnership with Agriculture in the Classroom, and the support of Sask Milk and the Saskatchewan Ministry of Agriculture.



Special Events for everyone at Prairieland Park

2013 was another very busy year for the Special Events Department with a total of eighteen events produced throughout the year.

Along with the various corporate events and touring cabarets, we also hosted the CIS cabaret nights and High Voltage Classic shenny tournament on site.

Our Small Business Christmas parties continue to grow each year with three Saturdays offered in November and December. The year capped off with a large touring event, Deadmau5, and our annual Prairieland Park New Years "House Party" which was a huge success.

2014 already looks like it will be non-stop in the Special Events Department with fifteen events already on the schedule. We are very excited about the 2014 lineup including Bryan Adams, July 18th in the outdoor grandstand.





Prairieland Park Ag Centre

The Ag Centre was busy with few empty weekends from May to October with rentals.

November to March saw a very busy boarding season with approximately 50 horses throughout the winter months with two clubs hosting regular lessons along with general riding.

Marquis Downs

June 14 – September 21, 2013

Marquis Downs once again had another successful thoroughbred race season. With weather that was rainy and cool from the middle of June until early July, Marquis Downs was forced to cancel 4 of the first 8 days of racing. 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 \$768,400. With 432 horses registered to race, 43% of the 193 races that were run offered 8 horses or more. The pari-mutuel handle was \$954,867. Wagering online (HPI) generated \$85,928 to bring the total handle to \$1,040,849 for an average daily handle of \$43,368 which is a 20% increase over 2012. In 2012 the total handle for 30 days was \$1,087,612 for an average daily handle of \$36,254. The Saskatchewan Liquor and Gaming Authority licensed 625 people in the racing industry of which 105 of those worked at Marquis Downs during live racing.

The 53rd running of the Saskatchewan Derby was run on September 14 for a purse of \$20,000. Alberta invader Just Win Baby who raced at Santa Anita Park in California earlier in the year proved to be too much horse and romped home to take home the winners share of \$11,800. A standing room only crowd packed the "Downs" and wagered a season high \$53,608. The total for the evening including online wagering was \$58,974. The staff and management at Marquis Downs would like to thank all of those people who made 2013 a most successful year.



Sports on Tap

Wow, 2013 was a fantastic year at Sports On Tap. We had 144 lively and fun Beach Volleyball teams in our league. We ran 6 nights a week and enjoyed every second of it. The atmosphere and excitement on our Patio during those summer months is something we encourage everyone to experience. With the new bridge finally opening late in the year, we definitely noticed an abundance of new customers rolling through our doors which is always a nice feeling. We also experienced a record number of Steak Nights, Corporate parties, and daily groups of 20+ people who are continually returning for more of the action. We launched our new menu half way through the year and are more than ecstatic with the response we received from all patrons alike. With such a great year under our belts, all the staff at SOT would like to thank you and look forward to seeing everyone in the near future.



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
 John Anderson
 Lorne O. Anderson
 Maryann Anderson
 Tracy Arno
 Mayor Don Atchison
 Ken Barrett
 Grace Bartzzen
 Len 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 Boski
 Ruth Bond-Martinson
 Merv Brand
 Todd Brandt
 Linda Braun
 Norma Briskar
 William Briskar
 Don Bristow
 Jack Brodsky
 Jan Bruce
 Dwight Buchholz
 Ed Bucholz
 Daniel Buday
 Jill Buechler
 Neil Buechler
 Adele Buettner
 Amylia Buettner
 Orrin Bull
 Michelle Butler
 Mel Byblow
 G.R. (Garry) Byers
 Garnet Calen
 Marion Calen
 John N. Campbell
 Blaine Canitz
 Les Cannam
 Duane Carruthers
 Glenda Carruthers
 Lester Cey
 Ken Cheveldayoff
 Steve Chisholm
 Cory Chophonis
 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
 Merle Fingas
 Jason Forrest
 Trevor Forrest
 Phyllis Fowler
 Army 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
 Henry Hamre
 Judy Harwood
 Jack Hay
 Jean Heidt
 Myles Heidt
 Al Hergott
 Diane Hergott
 Merle Hicks
 Ron Hicks
 Robert Higgins
 Anthony Hill
 Ruth Hill
 Warren Holder
 Frederick Holm
 Michele Houle
 Cheryl Hrapchuk
 Don Hrapchak
 Bart Hunter
 Dean Hurlburt
 Delvyn Huyghebaert
 Roxanne Irvine
 Stu Irvine
 Robert Istace
 Donald Johnson
 Sylvia Johnson
 Kjell 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
 Peter Kostyna
 John Kronebusch
 Barbara Kronebusch
 Dr. Effie Kutsogiannis
 Larry Labiuk
 D. John LaClare
 Joan Lasiuk
 Don LaVallee
 Norman Lawrence
 Michael LeClaire
 Ronald James Lee
 Vivian Leturnus
 Sheila Leys
 Connie Lynch
 Michael Lynch
 Heather Macdonald
 Gerald MacLeod
 Walter Mah
 Russell Marcoux
 Flo Mawson
 Lois McCormick
 Owen McCormick
 Chuck McCutcheon
 Tracy McDiarmid
 Christen McDonald
 Stuart McDowell
 Brent McFadzen
 Erin McGonigle
 Nancy McGuire
 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
 Sharon Nordick
 Lesley Norheim
 Darrell Novakovski
 Derrick Oberhofer
 Charles Olfert
 Sylvia Oliver
 Ian Oliver
 Murray Osborn
 Roberta Palen
 Bill Patrick
 Del Peters
 Todd Peterson
 Jack Phipps
 Steve Pidgurski
 Patrick Pitka
 Jean Pizzey

Vanessa Price
 Randy Pshebylo
 Hank Pulles
 Terri Rasmussen
 Adrienne Rawling
 Sandee Reed
 Don Regier
 Beatrice Reid
 Rick Reid
 Gail Reynolds
 Linda Reynolds
 Chris Riis
 Margaret Riis
 Len Ritchot
 Ben Robb
 Marlene Rochelle
 Rocky Rochelle
 Sharon Rochelle
 Shirley Ross
 Brian Rossnagel
 Laurel Rossnagel
 Don Rothenburger
 W.F. (Bill) Ryan
 Linda Saunders
 Arthur Sawatsky
 Brad Schlosser
 Kim Schmidt
 Murray Schmidt
 Al Scholz
 Mina Serhienko
 Ted Serhienko
 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
 Dick Strayer
 Bert Sutherland
 Brad Sylvester
 Bob Tait
 Lynn Tait
 Harold Tallis
 Milton Taylor
 Alan Thomarar
 Howard Thomas
 Cory Thoms
 Paul Tiessen
 Allan Tirk
 Tim Tkachuk
 Greg Trew
 Jim Twigg
 Emil Usselman
 Mary Usselman
 Daymond Volk
 Anne Wallace
 Patrick Wallace
 JoAnne Wasko
 Kevin Waugh
 Harvey Welter
 Dennis Wiebe
 Haden Wilks
 Rosella Willems
 Willmer Willems
 C.M. Williams
 Cassandra Williamson
 Collin Willms
 Ken Willms
 Lynne Yelich
 Bernie Yuzdepski
 Peter Zakreski
 Reynold Zeiler
 David Zolinsky

CORPORATE MEMBERS

Centennial Food Service
 Cheung On Investments
 Culligan Water Conditioning
 Day's Paints Ltd.
 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.
 Park Town Hotel
 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, 2013 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, 2013 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 Accountants

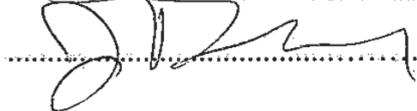
March 5, 2014
Saskatoon, Saskatchewan

SASKATOON PRAIRIELAND PARK CORPORATION
STATEMENT OF FINANCIAL POSITION
as at December 31, 2013

	2013	2012
CURRENT ASSETS		
Cash	\$ 806,968	\$ 852,656
Marketable securities (Note 4)	4,283,334	4,759,255
Accounts receivable (Notes 5 & 11)	522,624	670,660
Inventories (Note 6)	258,174	244,254
Prepaid expenses	296,776	144,947
	6,167,876	6,671,772
PROPERTY AND EQUIPMENT (Note 7)	18,692,356	16,420,142
	\$ 24,860,232	\$ 23,091,914
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 1,173,081	\$ 1,033,019
Customer deposits	1,110,510	966,850
Government remittances payable	83,620	113,323
Current portion of long-term debt (Note 8)	414,000	414,000
	2,781,211	2,527,192
Long-term debt (Note 8)	4,791,485	5,205,485
	7,572,696	7,732,677
NET ASSETS		
Net assets invested in property and equipment	13,486,871	10,800,657
Net assets, unrestricted	3,800,665	4,558,580
	17,287,536	15,359,237
	\$ 24,860,232	\$ 23,091,914

APPROVED BY THE BOARD:


.....Director


.....Director

SASKATOON PRAIRIELAND PARK CORPORATION
STATEMENT OF OPERATIONS AND NET ASSETS
year ended December 31, 2013

	2013	2012
REVENUE		
Marquis Downs and Sports on Tap (Note 9)	\$ 4,635,535	\$ 4,792,729
Programs	11,647,604	10,585,738
Administration (Notes 4 & 10)	3,545,264	3,185,400
	<u>19,828,403</u>	<u>18,563,867</u>
EXPENDITURES (Schedule)		
Marquis Downs and Sports on Tap	4,831,456	4,848,095
Programs	10,211,730	9,084,592
Administration	2,856,918	2,754,426
	<u>17,900,104</u>	<u>16,687,113</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		
Marquis Downs and Sports on Tap	(195,921)	(55,366)
Programs	1,435,874	1,501,146
Administration	688,346	430,974
	<u>1,928,299</u>	<u>1,876,754</u>
NET ASSETS, BEGINNING OF YEAR	<u>15,359,237</u>	<u>13,482,483</u>
NET ASSETS, END OF YEAR	<u>\$ 17,287,536</u>	<u>\$ 15,359,237</u>

SASKATOON PRAIRIELAND PARK CORPORATION
STATEMENT OF CASH FLOWS
year ended December 31, 2013

	2013	2012
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 1,928,299	\$ 1,876,754
Items not affecting cash		
Amortization of property and equipment	1,649,413	1,618,337
Unrealized gain on held for trading assets	(372,494)	(126,827)
Net change in non-cash working capital items (Note 13)	236,306	(172,788)
	<u>3,441,524</u>	<u>3,195,476</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of long-term debt	(414,000)	(414,000)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Cash interest received reinvested	(151,585)	(104,880)
Purchase of long-term investment	-	(603,070)
Disposal (purchase) of marketable securities	1,000,000	(1,096,930)
Purchase of property and equipment	(3,921,627)	(1,653,029)
	<u>(3,073,212)</u>	<u>(3,457,909)</u>
NET DECREASE IN CASH	(45,688)	(676,433)
CASH POSITION, BEGINNING OF YEAR	852,656	1,529,089
CASH POSITION, END OF YEAR	\$ <u>806,968</u>	\$ <u>852,656</u>

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2013

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.

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, government remittances payable, 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.

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.

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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%

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, provisions and contingencies.

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2013

3. LINE OF CREDIT

The Corporation maintained an authorized line of credit of \$1,000,000. At December 31, 2013, there was \$nil drawn against the line of credit. Interest on any outstanding credit is calculated at prime plus 0.5%. The line of credit is secured by all property and a registered first mortgage of the land lease.

Subsequent to year end, a new credit facility agreement with the Bank of Montreal was entered into. This debt facility has an authorized line of credit of \$1,000,000 with interest calculated at prime.

4. MARKETABLE SECURITIES

In 2013, \$372,494 (2012 - \$126,827) 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 corporate bonds. Corporate bonds earn interest at rates between 4.00% and 6.98% with varying maturity dates.

	<u>2013</u>	<u>2012</u>
Bonds	\$ 1,387,461	\$ 2,016,430
Equities	<u>2,895,873</u>	<u>2,742,825</u>
	<u>\$ 4,283,334</u>	<u>\$ 4,759,255</u>

5. ACCOUNTS RECEIVABLE

	<u>2013</u>	<u>2012</u>
Trade	\$ 468,957	\$ 581,409
Other	<u>53,667</u>	<u>89,251</u>
	<u>\$ 522,624</u>	<u>\$ 670,660</u>

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2013

6. INVENTORIES

	<u>2013</u>	<u>2012</u>
Food	\$ 128,234	\$ 127,032
Alcohol	118,847	104,935
Other	11,093	12,287
	<u>\$ 258,174</u>	<u>\$ 244,254</u>

The inventories recognized as an expense during the year amount to \$2,382,848 (2012 - \$2,081,663). There was no write-down of inventory recognized as an expense, nor any reversal of any write-down that is recognized as a reduction in the amount of inventory recognized as an expense.

7. PROPERTY AND EQUIPMENT

	<u>2013</u>			<u>2012</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 22,879,939	\$ 11,992,762	\$ 10,887,177	\$ 9,749,707
Equipment	9,038,371	7,326,929	1,711,442	1,464,593
Leasehold improvements	1,357,508	380,617	976,891	69,990
Roads	8,349,513	3,835,688	4,513,825	4,469,959
Capital projects in progress	140,473	-	140,473	6,000
Site development	462,548	-	462,548	659,894
	<u>\$ 42,228,352</u>	<u>\$ 23,535,996</u>	<u>\$ 18,692,356</u>	<u>\$ 16,420,142</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, 2013

8. LONG-TERM DEBT

	2013	2012
Term demand loan payable to CIBC with monthly payments of \$24,500 principal plus interest at prime plus 0.5% - prime was 3.0% at December 31, 2013; (December 31, 2012 - 3.0%); maturing May 31, 2027 and against which all personal property and a registered first mortgage of the land lease have been pledged as collateral	\$ 2,925,485	\$ 3,219,485
Term demand loan payable to CIBC with monthly payments of \$5,000 principal plus interest at prime plus 0.5% - prime was 3.0% at December 31, 2013; (December 31, 2012 - 3.0%); maturing December 31, 2031 and against which all personal property and a registered first mortgage of the land lease have been pledged as collateral	1,080,000	1,140,000
Term demand loan payable to CIBC with monthly payments of \$5,000 principal plus interest at prime - prime plus 0.5% - prime was 3.0% at December 31, 2013; (December 31, 2012 - 3.0%); maturing December 31, 2033 and against which all personal property and a registered first mortgage of the land lease have been pledged as collateral	1,200,000	1,260,000
	5,205,485	5,619,485
Less current portion of long-term debt	414,000	414,000
	\$ 4,791,485	\$ 5,205,485

On January 24, 2014 the total 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 March 5, 2014, 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.

SASKATOON PRAIRIELAND PARK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2013

9. GOVERNMENT GRANTS

The Provincial Government collects a 10% tax on all horse race wagering in Saskatchewan which was previously granted back to the track operators in the subsequent year as pari-mutual grants. However, effective March 31, 2013, the 10% tax was no longer collected and thus the Provincial Government no longer provides grant money to the Corporation thus grant income of \$nil (2012 - \$1,098,990) has been included in horse racing revenue during the year.

10. 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 (2012 - \$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, 2013

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, 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. 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 long term 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, 2013 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, 2013

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.

13. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

Net change in non-cash working capital items consists of:

	<u>2013</u>	<u>2012</u>
(Increase) decrease in non-cash current assets		
Accounts receivable	\$ 148,036	\$ (209,199)
Inventories	(13,920)	194
Prepaid expenses	(151,829)	(1,420)
Increase (decrease) in non-cash current liabilities		
Accounts payable and accrued liabilities	140,062	58,715
Government remittances payable	(29,703)	(66,907)
Customer deposits	143,660	45,829
	<u>\$ 236,306</u>	<u>\$ (172,788)</u>

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

SASKATOON PRAIRIELAND PARK CORPORATION
SCHEDULE OF EXPENDITURES
year ended December 31, 2013

	2013	2012
Advertising and promotion	\$ 406,330	\$ 363,313
Administration and office	448,293	417,658
Amortization of property and equipment	1,649,413	1,618,337
Contracted services	1,393,469	1,141,123
Cost of sales	2,382,848	2,081,663
Equipment rental	252,227	196,909
Host track fees	418,686	416,732
Insurance	180,345	171,302
Interest expense on long-term debt	190,597	205,209
Licenses and permits	19,608	28,628
Professional fees	39,030	30,369
Purses and prize money	863,230	1,050,589
Racing tote, data lines, and decoders	296,522	294,050
Repairs, maintenance, and supplies	1,027,491	898,786
Utilities	917,638	830,793
Wages and benefits	7,414,377	6,941,652
	<u>\$ 17,900,104</u>	<u>\$ 16,687,113</u>