Report - Alternate Service Delivery Committee - March 12, 2007

Item No. 3 Winnipeg Golf Services Special Operating Agency – 2007 Selection Report
File GL-5.6.1

COMMITTEE RECOMMENDATION:

On March 14, 2007, the Executive Policy Committee concurred in the recommendation of the Alternate Service Delivery Committee and submits the following to Council:

1. That the 2007 Selection Report (Summary of the Business Plan) for Winnipeg Golf Services Special Operating Agency including the 2007 budget be approved and the 2008 to 2011 Financial Projections, as outlined in Appendix A to the report from the Chief Information Officer dated December 6, 2006, be received as information.

2. That golf course fees for the 2007 season, as outlined in Appendix B to the report from the Chief Information Officer dated December 6, 2006, be received as information.

3. That the operating line of credit be increased from $1,650,000.00 to $2,000,000.00 to support the Special Operating Agency, said funds to be accessed through the inter-company balance with the General Revenue Fund at the City's borrowing rate to meet the ongoing cash flow requirements of the Agency.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report - Alternate Service Delivery Committee - March 12, 2007

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 14, 2007, the Executive Policy Committee concurred in the recommendation of the Alternate Service Delivery Committee and submitted the matter to Council.

COMMITTEE RECOMMENDATION:

On March 12, 2007, the Alternate Service Delivery Committee concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

Further on March 12, 2007, the Alternate Service Delivery Committee received a PowerPoint Presentation titled "2007 Selection Report and Summary of 2008 to 2011 Business Plan" from Mr. M. Sterdan, Chief Operating Officer, Winnipeg Golf Services Special Operating Agency, and Ms. K. Ayotte, Assistant Controller, Planning, Property and Development Department.

RE: 2007 Selection Report (Summary of the Business Plan) – Winnipeg Golf Services Special Operating Agency

FOR SUBMISSION TO Alternate Service Delivery Committee

ORIGINAL REPORT SIGNED BY: Chief Information Officer

REPORT DATE: December 6, 2006

RECOMMENDATION:

1. **That the 2007 Selection Report (summary of the business plan) for Winnipeg Golf Services Special Operating Agency including the 2007 budget be approved, and 2008 to 2011 financial projections be received as information as tabled in Appendix A.**

2. **That golf course fees for the 2007 season as outlined in Appendix B be received as information.**

3. **That should the operating plan and budget be approved, the operating line of credit be increased from $1,650,000 to $2,000,000 to support the Special Operating Agency, said funds to be accessed through the inter-company balance with the General Revenue Fund at the City's borrowing rate to meet ongoing cash flow requirements of the Agency.**

Report Summary

Key Issues:

- The financial projections contained in this business plan anticipate the Agency exceeding its line of credit in 2007 and successive years. An increase in the line of credit from the current $1,650,000 to the recommended $2,000,000 will, based on current projections, provide the Agency with adequate operating funds for the duration of the 5 year plan.

- The revenues contained in the business plan have been revised to reflect those of the Golf Strategic Review consultant study. These revenue projections are lower than those contained in previous business plans. Expenses have also been adjusted and are projected to be less than those reported in previous plans. The result of this budget adjustment is that the Agency will incur deficits in excess of those reported in previous business plans.

Implications of the Recommendation(s):

General Implications

(x) None
( ) For the organization overall and/or for other departments
( ) For the community and/or organizations external to the City
( ) Involves a multi-year contract

Comment(s):

Policy Implications

(x) No
( ) Yes
Comment(s):

Regulatory Implications

(x) None
( ) Eliminates or reduces regulatory impact
( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(x) No
( ) Yes
Comment(s):

Human Resources Implications

(x) No

( ) Yes

Comment(s):

Financial Implications

(x) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s):

Report

REASON FOR THE REPORT:
The Winnipeg Golf Services Operating Charter stipulates that an annual business plan be submitted to Council each year.

HISTORY:
Winnipeg Golf Services was designated as a Special Operating Agency effective January 1, 2002.

DISCUSSION:
The year 2006 was the fifth year of operation for Winnipeg Golf Services. The Agency encompasses the operation and contract management of 12 golf course properties in Winnipeg generally categorized as follows:

City Operated and Maintained
Kildonan Park Golf Course
Windsor Park Golf Course
Crescent Drive Golf Course

Leased Properties
Rossmere Golf Course
St. Boniface Golf Course
Transcona Golf Course
Wildwood Club Golf Course
Assiniboine Golf Course

Contracted Courses
John Blumberg Golf Course
Canoe Club Golf Course
Tuxedo Golf Course

Joint City/Contractor
Harbour View GC and Recreation Complex (contractor operated; City maintained)

Strategic Direction
Winnipeg Golf Services continues to make its presence known as a competitor in the Winnipeg golf market. Recent emphasis on physical asset improvements, improved customer service and marketing initiatives has demonstrated the Agency's commitment to providing a quality golf experience. The 2007 to 2011 business plan calls for continued work in the aforementioned

areas as well as further exploration of technology innovations in the areas of automated tee time booking systems and point of sale software.

The Agency will continue to manage golf courses as valuable City assets with a focus on maximizing the financial return to the City.

SOA Financial Return

The 2006 golf season generated improved financial returns when compared to 2005. Weather conditions were generally more favorable than the previous two years. Although returns were up in 2006 they did not meet budgeted expectations. The 2007 to 2011 business plan anticipates a return to the City averaging $870,000 annually in the form of tax equivalents (property; business; payroll), departmental support costs, interest on acquired assets, and return on investment.

Operating revenues and expenditures have been more accurately projected to reflect a more realistic return while still remaining optimistic about the Winnipeg golf market. It is estimated that over the life of the business plan the Agency will incur a loss of approximately $1,375,000. This is premised on the current method of operation continuing to be employed and the level of capital investment in the courses remaining modest. The operational review, discussed below, will help to determine if the current operating model is the most profitable or if an alternate model should be implemented. Until future operating decisions based on the review have been made the SOA will continue to function in accordance with the plan as laid out herein.

Operational Review

The existing mix of leased, contractor managed, and City operated golf courses will be maintained pending a decision on the review of alternative strategic options for Winnipeg Golf Services. The review is complete and consideration of recommendations is pending. The results of the review provided the SOA with a framework with which to make recommendations regarding the long-term use and operation of the City's golf course properties. The 2007 to 2011 business plan will be adjusted in accordance with the adoption of a future direction for the golf SOA.

Fees for the 2007 golf season

Proposed fees for the 2007 golf season are contained in Appendix B. For comparison purposes, fees dating back to 2001 are illustrated:

- Adult and Senior fees are increasing by $1.00 per 18-hole round. Junior fees will increase by $0.50 per round.
- The 9-hole rate increases by $0.50 per round for Adults, Juniors and Seniors. The second round rate for the 9 hole courses remains unchanged to encourage additional play.
- Miscellaneous Services fees remain substantially unchanged.

Overall, green fee rates have increased by approximately 24% over the 5 years that the SOA has operated the City's golf courses. This represents an average increase of 5% per year. This rate of increase is generally acceptable to the users of the municipal courses and maintains a reasonable price gap between the municipal courses and other public and semi public golf

courses in the Winnipeg market. This price point advantage is necessary to maintain current market share and position the municipal courses to increase market share if future improvements are made to attract new customers.

Winnipeg Golf Services surveys the fee structure of other public and semi public courses periodically to determine market pricing trends. Current fees charged at the municipal courses are competitive in the Winnipeg market.

Operating Line of Credit

Financial projections anticipate the SOA exceeding its current line of credit in each of the five years of the business plan. Lower than previously projected net revenue even with decreased expenses will result in annual deficits. If the business plan as contained herein holds true the current line of credit will be exceeded in 2007. It is recommended that the Golf SOA's line of credit be increased to $2,000,000. This will provide the Agency with sufficient operating funds, based on current projections, for the duration of the 5 year business plan.

Service Goals and Strategies

The following summarizes goals and key strategies the Agency employs in its business operations:

GOAL	STRATEGIES	STATUS
Maximize green fee revenues	1. Increase green fees in accordance with market demand	Assessed annually and changes made as market allows
	2. Target market to highest revenue consumers	Promotion targeted to adult regulars
	3. Gradually increase proportionate amount of seniors fees	Senior fees increased 32% compared to adult fee increase of 24% over 5 years
	4. Establish Municipal courses as user friendly	Promotion depicts fun, inviting atmosphere for women, juniors and new golfers
Improve golf course playability	1. Engage golf course architect to prepare improvement master plan	Master Plan complete
	2. Assess maintenance practices, methods and schedules to optimize playing conditions	Continuously assessed and improvements implemented. New equipment purchased to improve playability
	3. Make immediate maintenance improvements to demonstrate intent	Greens covers purchased to improve spring playability; greens cut prior to the start of daily play; 5 new tees built in 2005; drainage improvement projects completed in 2006.
Provide high quality customer service	1. Develop customer service strategy	Manitoba Best customer service program adopted
	2. Customer service training	Manitoba Best training for clubhouse

GOAL	STRATEGIES	STATUS
		staff is complete. Training of maintenance will be completed in 2007. Managing Excellence attended by supervisory staff. Updated training for new staff ongoing.
	3. Customer feedback to evaluate effectiveness	E-mail marketing program in place at 3 courses.
	4. Standardize counter service techniques	Clubhouse staff and starters provide consistent service as per training
Sustainable environmental initiatives	1. Minimize use of harmful chemicals	Staff certified in pesticide application in accordance with Provincial regulations; chemical application minimized.
	2. Naturalization strategies	Habitat assessment complete; European Buckthorn removed; wildflower and natural vegetation plantings initiated in 2006.
	3. Environmental assessment of golf courses	Manitoba Golf Superintendents Association Environmental Assessment complete and recommendations being implemented. Fuel storage improvements being implemented in 2007.
Improve image of Municipal golf courses	1. Establish WGS visual identity and positioning statement	Design expertise to be contracted.
	2. Establish and implement etiquette and speed of play guidelines	Golfers are continuously educated on golf etiquette; starters acting in capacity of course marshals help improve speed of play; full scale marshal program being considered.
	3. Establish a golf advisory board	Advisory board was established in 2006.
	4. Sponsor community events and charities	Donations and sponsorships given to charities and events that promote the golf courses
Corporate sponsorship	1. Sponsorship of WGS events and annual tournament	Major beverage sponsor has been secured. Various sponsors contribute to annual Municipal tournament
	2. Attain sponsorship for new programs	Sponsors solicited for special events and tournaments. Tee marker sign advertising is growing
	3. Review existing sponsor contracts	Contracts assessed annually

GOAL	STRATEGIES	STATUS
Improve merchandise sales	1. Introduce new items for sale	Clothing line introduced; new product lines continually assessed.
	2. Partner with other retailers for volume discounts	Not feasible at this time – will continue to investigate
	3. Redesign / redecorate pro shops	Pro shops modernized in 2002; displays changed regularly.
	4. Market to non golfers	Community flyers and mobile signs attract non golfers to courses and pro shops; golf lessons offered at all sites
	5. Major promotions	Fathers Day, fall, Christmas, end of season clearance promotions.
Improve food and beverage sales	1. Assessment of food and beverage operation	New concession operator engaged in 2004. Contract assessed annually.
	2. Monitor food and beverage service	Daily monitoring done by golf course staff; weekly reviews held with contractor during the season.
	3. Cross promotions	Golf / food cross promotions tested. New concession operator aggressive in promoting food specials for tournaments.
	4. Visual upgrade of concessions	General appearance improved with new signage and visual enhancements.
Increase auto cart revenues	1. Assess auto cart usage and financial return	Auto cart usage continues to grow. Fleet increased by 60% (25 units) over 5 years.
Administer golf course leases	1. Renegotiate leases as they expire	All expired leases have been renegotiated and executed.
Administer agreements for contracted courses	1. Review green fees in consultation with contractors	Consultation done annually and fees adjusted as market allows.
	2. Review Harbour View operation to streamline reporting relationships	Ongoing
	3. Issue proposal calls for contracts as they expire	Concession contract proposal call issued and contract awarded.
Manage Cross Country Ski operations and trail grooming	1. Administer agreement with Cross Country Ski Association of Manitoba	Contractor adhering to all terms and conditions
	2. Assess future viability of trail grooming in parks	Trail grooming in parks turned over to Public Works.

Financial Performance
Pro forma financial statements including a projected balance sheet, statement of projected changes in financial position, and statement of projected revenues and expenses are attached as Appendix A.

In 2006, the Agency is projecting an operating deficit of $628.095. Shortfalls in revenues were experienced in green fees, equipment rentals, merchandise sales and concessions. Expense savings were realized in salaries and services but were insufficient to offset revenue shortfalls.

The Golf Strategic Review is complete and includes long term financial projections. The 2007 to 2011 business plan reflects the revenue/expense projections contained in the review. These projections are considered achievable given average golf weather and retention of current market share. Each year of the five year plan projects a net loss for the Agency. However, factoring out the City's return on investment results in a small surplus.

Human Resource
The Agency currently operates with 3 permanent staff and 51 seasonal staff. No change in this compliment is anticipated for 2007. A spare list has been created for the clubhouse operation. This reduces overtime costs associated with sick time replacements and provides a pool of staff required for special events.

All terms of the CUPE collective agreement apply to Winnipeg Golf Services. Discussions were ongoing over 3 years to come to terms on a supplementary agreement. These discussions have been suspended pending the completion of the operational review. Should the City elect to continue to operate golf courses in their current form a supplementary agreement may need to be negotiated.

Information Technology
The Planning, Property and Development Department provides Information Technology services to the Agency through a service arrangement. Recent technology upgrades saw the golf courses automate financial/statistical reporting and daily timekeeping as well as gain access to the City network for communication and information purposes. In addition, the computerized golf handicapping system and the Shoot for the Green e-mail marketing program were improved. Systems and equipment will continue to be upgraded through existing resources.

Winnipeg Golf Services management continues to explore the viability of automated tee time booking and point of sale systems. Automating these systems would greatly improve customer convenience and free staff to attend to other revenue generating activities.

Physical Asset Management
The Agency manages a variety of material assets in overseeing the operation of 12 sites. These assets are categorized as follows:

- Land;
- Buildings and other physical structures;

- Turf maintenance equipment;
- Furnishings, tools and other miscellaneous small equipment.

In 2005/06 the Province of Manitoba reconstructed a portion of the Trans Canada Hwy from Winnipeg to Headingly. This included the installation of a center median to address safety issues related to vehicles making left hand turns into and out of John Blumberg Golf Course. The project impacted on the golf course's third hole where an existing bridge was removed and replaced with a culvert crossing. Winnipeg Golf Services was responsible for the cost of the bridge replacement. The work was completed in the off season and the hole opened for play at the start of the 2006 season.

As reported in the Winnipeg Golf Services 2005 and 2006 business plans the sewage treatment plant at John Blumberg Golf Course is outdated and nearing the end of its useful life. A decision to replace the plant or extend services to the site has been put on hold until completion of the golf course strategic review.

Winnipeg Golf Services is responsible for the servicing and administration of its turf maintenance equipment. Equipment servicing is done by a combination of internal (Golf Services mechanic) and external (equipment service contractor) methods. Equipment is replaced and upgraded on an as required basis.

In the fall of 2006 drainage projects were carried out at Kildonan and Windsor golf courses. These changes will improve drainage, enhance playability and alter the visual appeal of six golf holes.

An improvement plan for 2007 to 2011 is in place. Priority projects for 2007 include:
- Completion drainage improvements at Windsor and Kildonan
- Additional drainage improvements at Kildonan and Windsor
- Drainage and driving range improvements at Blumberg
- Cart path improvements at Kildonan and Windsor
- Reforestation at all sites

Performance Measurement

The following summarizes performance indicators and measures of success the Agency will strive to achieve through the 2007 to 2011 term:

Indicator	Measure of Success
Financial Financial return to the City and improvement of the golf course asset	• Meet the forecasted financial return to the City over the course of the 5-year business plan. • Meet or exceed the net income targets for the Agency • Increased value of the physical assets through infrastructure improvements.
Customer Service Continually improve the image that we	• Respond promptly to customer complaints and enquiries, take

Indicator	Measure of Success
portray to customers.	appropriate action and provide timely feedback. • Improved staff appearance through adherence to uniform guidelines. Assessed through observation and independent checks. • Consistent use of appropriate greetings over the counter and on the telephone measured through observation, independent assessment and customer feedback. • Positive customer survey results with satisfaction levels of 80%+. • Aesthetic and amenity improvements that meet with customer satisfaction as determined through survey results.
Associated Services Improved service and image through provision of golf related services.	• Introduction of Corporate Sponsorship in selected areas. • Increased merchandise sales. • Increased sales of food and beverage in clubhouses and on courses. • Increased auto cart rentals.
Environment Reduce harmful affects of maintenance practices and contribute to the long-term viability of golf courses.	• Reduced use of harmful chemicals. • Increased native vegetation and wildlife on golf course properties. • Recognition as an environmentally friendly golf course operation.

Issues and Challenges

Competition

Winnipeg Golf Services actively competes in the golf market. Green fees are reflective of market pricing and additional sources of revenue are continually explored. New public courses coming into the market impact on the rounds played at municipal courses. Marketing and promotion initiatives as well as playability and aesthetic improvements are planned in order to retain the current customer base and make the municipal courses an attractive choice for new golfers.

Merchandise Sales

The ongoing presence of a major golf merchandise retailer in the Winnipeg market has had an impact on the sales strategy at the municipal courses. A shift away from big ticket items (e.g. club sets) to impulse purchases has helped to maintain a reasonable level of merchandise sales. Winnipeg Golf Services will be challenged to find innovative approaches to grow merchandise sale revenues over the long term.

Golf Strategic Review

The strategic review is complete. Results of the review are currently being considered and recommendations for the long term operation of the municipal golf courses will be brought

forward. Should it be determined that a new direction is to be taken the operational changes will be implemented for the 2008 golf season.

Capital Improvements

The municipal courses had limited capital improvements done prior to the establishment of the Winnipeg Golf Services SOA. As a result, the condition of the courses and clubhouses has fallen below the standard generally acceptable for public courses. A capital master plan is complete and an improvement program was implemented in 2004 to bring the courses and clubhouses up to a reasonable standard. This program will do little more than catch up with improvements that have been deferred over the years. The financial success of the operation will determine if additional improvements can be made that will allow the municipal courses to stand out among public golf courses in the Winnipeg market.

John Blumberg Golf Course

The sewage treatment plant on-site is outdated and will soon be unusable. In consultation with the Water and Waste Department it has been determined that it would be more economical in the long term to access water and sewer service from Headingly than to replace the treatment plant or to connect to Winnipeg sewer and water. If the City is to continue to own and operate John Blumberg, the water and waste system will need to be addressed.

Acceptance of Change Initiatives

A number of operational changes have been implemented since the inception of the SOA. Staff will continue to be challenged to be innovative and energetic in carrying out their functions. Staff are becoming more accustomed to and accepting of the businesslike approach to the operation.

Workplace Safety and Health Act

Recent changes to the Workplace Safety and Health Act have resulted in additional training and reporting requirements. Other pending changes could result in equipment related expenses. It is hoped that the new legislation will result in fewer injuries and a resulting reduction in work time lost.

Nutrient Management Regulation

The Province of Manitoba has proposed a new nutrient management regulation under the Water Protection Act that could impact fertilizer use on golf courses. The draft regulation is presently out for public consultation. Golf Services is assessing the impact of the proposed regulation in consultation with other golf course operators, fertilizer suppliers and the Manitoba Golf Course Superintendents Association.

Financial Impact Statement Date: December 6, 2006

Project Name: **First Year of Program 2007**

2007 Business Plan - Winnipeg Golf Services Special Operating Agency

	2007	2008	2009	2010	2011
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The projected financial impact of the recommendations contained in this report are reflected in the attached appendices.

"Original signed by"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Business Review and Credit Committee (BRACC)

External Consultation With: N/A

THIS REPORT SUBMITTED BY:

Department Corporate Information Technology
Division Winnipeg Golf Services Special Operating Agency
Prepared by: Michael Sterdan, Chief Operating Officer
PPD File No.

APPENDIX A
WINNIPEG GOLF SERVICES
FINANCIAL PROJECTIONS
2006 (projected actual) and 5 years ending December 31, 2011

Golf Services - Special Operating Agency
Projected Statement of Financial Position
December 31

	2005 Actual (Unaudited)	2006 Projected Actual	2007 $	2008 $	2009 $	2010 $	2011 $
ASSETS (Note 7)							
Current							
Cash	-	-	-	-	-	-	-
Due from City of Winnipeg	-	-	-	-	-	-	-
Accounts Receivable	213,824	213,824	213,824	213,824	213,824	213,824	213,824
Inventory (Note 2)	80,090	86,263	86,263	86,263	86,263	86,263	86,263
Prepaid Expenses	4,583	4,583	4,583	4,583	4,583	4,583	4,583
	298,497	304,670	304,670	304,670	304,670	304,670	304,670
Land, buildings and equipment:							
Land (Note 2)	20,376,565	20,376,565	20,376,565	20,376,565	20,376,565	20,376,565	20,376,565
Buildings (Note 2)	2,539,823	2,539,823	2,539,823	2,539,823	2,539,823	2,539,823	2,539,823
Golf Course Improvements (Note 2)	246,074	512,108	712,108	972,108	1,187,108	1,332,108	1,332,108
Furniture and Other Equipment (Note 2)	1,342,007	1,381,780	1,431,780	1,501,780	1,571,780	1,641,780	1,861,780
	24,504,469	24,810,276	25,060,276	25,390,276	25,675,276	25,890,276	26,110,276
Less: accumulated depreciation	822,141	1,078,880	1,351,758	1,642,136	1,951,389	2,276,642	2,620,020
	23,682,328	23,731,396	23,708,518	23,748,140	23,723,887	23,613,634	23,490,256
	23,980,825	24,036,066	24,013,188	24,052,810	24,028,557	23,918,304	23,794,926
LIABILITIES (Note 7)							
Current							
Due to City of Winnipeg	1,160,548	1,600,396	1,707,348	1,728,152	1,805,237	1,914,375	1,964,831
Accounts payable and accrued liabilities	52,187	20,109	20,109	20,109	20,109	20,109	20,109
Vacation Liability	34,295	37,703	33,933	30,540	27,486	24,737	22,263
Current portion of long-term debt	21,149	61,248	88,124	112,378	147,951	178,450	284,414
	1,268,179	1,719,456	1,849,514	1,891,179	2,000,783	2,137,671	2,291,617
Long Term							
Retirement allowance	146,000	133,500	120,150	108,135	97,322	87,589	78,830
Long-term debt	3,604,130	3,848,688	4,010,564	4,278,187	4,415,236	4,451,786	4,467,670
	3,750,130	3,982,188	4,130,714	4,386,322	4,512,557	4,539,376	4,546,501
RETAINED EARNINGS							
Contributed Surplus	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658
Operating Surplus/Deficit	(1,612,142)	(2,240,236)	(2,541,698)	(2,799,349)	(3,059,442)	(3,333,401)	(3,617,850)
	18,962,516	18,334,422	18,032,960	17,775,309	17,515,216	17,241,257	16,956,808
	23,980,825	24,036,066	24,013,188	24,052,810	24,028,556	23,918,304	23,794,926

Golf Services - Special Operating Agency
Projected Statement of Operations & Deficit
For the Years Ended December 31

	2005 Actual (Unaudited)	Council Adopted 2006	2006 Projected Actual	Variance	2007 Previously Approved	2007	2008	2009	2010	2011
Revenues: (Note 4)										
Green Fees	1,869,335	2,660,850	2,050,966	(609,884)	2,760,159	2,453,715	2,531,495	2,609,259	2,687,076	2,764,860
Equipment Rentals	171,252	308,305	230,146	(78,159)	308,305	267,893	276,430	278,430	276,430	285,017
Concessions	108,179	120,000	113,489	(6,511)	120,000	100,000	100,000	105,000	110,250	110,250
Merchandise Sales	107,752	159,447	103,606	(54,841)	163,200	110,000	110,000	123,000	125,000	132,000
Other	28,579	30,000	47,989	17,989	30,000	52,723	52,723	52,723	52,723	52,723
Miniature Golf	-	-	-	-	18,574	-	18,574	30,257	34,795	34,795
Net Revenue-Leasing Operations	38,390	65,115	116,995	51,880	68,422	120,368	119,559	118,718	117,647	116,042
Total Revenues	2,324,487	3,342,727	2,663,189	(679,538)	3,468,660	3,104,699	3,208,781	3,315,417	3,404,121	3,495,687
Expenses: (Note 5)										
Salaries & Employee Benefits	1,255,692	1,360,354	1,344,870	(15,484)	1,401,163	1,385,216	1,426,769	1,469,578	1,513,666	1,559,075
Services	642,048	625,106	483,419	(141,686)	643,862	462,041	473,935	488,156	502,805	517,890
Materials,Parts,Supplies	270,874	282,167	298,196	16,029	290,835	260,085	277,157	285,474	294,039	302,864
Interest on Short Term Debt	19,886	19,128	25,286	6,158	19,128	64,000	64,000	64,000	64,000	64,000
Interest on Long Term Debt - Capital Plan	22,909	41,668	36,011	(5,545)	67,887	54,135	70,575	86,525	96,147	101,766
Total Expenses	2,211,510	2,328,313	2,187,782	(140,531)	2,422,875	2,234,485	2,312,436	2,393,733	2,470,657	2,545,595
Net Revenue	112,977	1,014,414	475,408	(539,006)	1,045,985	870,214	896,345	921,684	933,464	950,092
Allocated to the City: (Note 6)										
Property Tax Equivalents	213,284	213,284	194,965	(18,319)	219,682	219,682	226,272	233,060	240,052	247,253
Departmental Support Costs	43,936	45,254	45,254	-	46,612	46,612	48,010	49,451	50,934	52,461
Office Accommodation Costs	15,206	17,356	17,365	7	17,300	17,300	17,330	17,389	17,911	18,448
Provision for Payroll Taxes	23,855	20,051	24,228	4,177	20,652	24,955	25,703	26,474	27,268	28,085
Provision for Business Taxes	25,853	28,628	24,271	(2,357)	27,426	27,426	28,249	29,097	29,970	30,869
Interest on Long Term Debt - Acquired Assets	187,961	187,961	187,961	0	187,961	187,961	186,747	185,459	184,095	182,648
City's Return on Investment	380,000	374,618	343,964	(30,654)	369,810	365,844	320,052	320,000	320,000	320,000
Total allocated to the City	889,894	885,154	838,008	(47,146)	889,443	889,780	852,363	860,930	870,230	879,764
Other:										
Depreciation, Fixed Assets (Schedule 1A)	239,325	259,349	256,739	(2,610)	285,349	272,878	290,378	309,253	325,253	343,378
Annual Audit Fee	7,490	10,609	8,755	(1,854)	10,927	9,018	11,255	11,593	11,941	12,299
Total Other and Allocated to the City	1,136,709	1,155,112	1,103,502	(51,610)	1,185,718	1,171,676	1,153,996	1,181,776	1,207,424	1,235,441
Net Income/(Loss)	(1,023,733)	(140,698)	(628,094)	(487,396)	(139,734)	(301,462)	(257,651)	(260,092)	(273,959)	(284,449)

Golf Services - Special Operating Agency
Projected Statement of Cash Flow
For the Years Ended December 31

	2005 Actual (Unaudited)	2006 Projected Actual	2007	2008	2009	2010	2011
Net inflow (outflow) of cash related to the following activities:							
OPERATING							
Net earnings (loss) for the year	(705,815)	(340,763)	3,576	(527)	(5,202)	(21,121)	(33,670)
Non-cash items relating to operations:							
Amortization	239,325	256,739	272,878	290,378	309,253	325,253	343,378
Increase in Retirement Allowance	-	(12,500)	(13,350)	(12,015)	(10,814)	(9,732)	(8,758)
Working capital from operations	(466,590)	(96,524)	263,104	277,836	293,237	294,400	300,949
Changes in non-cash operating working capital items:							
Accounts receivable	(186,272)	0	-	-	-	-	-
Inventory	30,743	(6,173)	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Accounts payable and accrued liabilities	43,291	(32,078)	-	-	-	-	-
Vacation Liab	(12,901)	3,408	(3,770)	(3,393)	(3,054)	(2,749)	(2,474)
	(591,728)	(131,368)	259,334	274,443	290,183	291,651	298,475
FINANCING							
Increase/(decrease) in Due to City of Winnipeg - General Revenue Fund	916,589	439,848	106,952	20,804	77,085	109,138	50,456
Incr in Long-term debt - Required for Capital Plan	233,279	284,657	188,752	291,876	172,622	67,049	121,848
Transfer to City of Winnipeg - General Revenue Fund	(317,818)	(287,331)	(305,038)	(257,124)	(254,890)	(252,838)	(250,779)
	832,050	437,174	(9,334)	55,556	(5,183)	(76,651)	(78,475)
INVESTING							
Purchase of Land	-	-	-	-	-	-	-
Purchase of Buildings	-	-	-	-	-	-	-
Purchase of Golf Course Improvements	(112,635)	(266,034)	(200,000)	(260,000)	(215,000)	(145,000)	-
Purchase of Furniture and Other Equipment	(127,687)	(39,773)	(50,000)	(70,000)	(70,000)	(70,000)	(220,000)
Proceeds from disposal of equipment							
	(240,322)	(305,807)	(250,000)	(330,000)	(285,000)	(215,000)	(220,000)
NET CASH INFLOW (OUTFLOW)	-	(0)	-	(0)	0	0	(0)
CASH POSITION, BEGINNING OF YEAR	-	-	(0)	(0)	(1)	(0)	(0)
CASH POSITION, END OF YEAR	-	(0)	(0)	(1)	(0)	(0)	(1)

Golf Services - Special Operating Agency
Projected Statement of Equity
December 31

	2002 $	2003 $	2004 $	2005 $	2006 $	2007 $	2008 $	2009 $	2010 $	2011 $
Contributed Surplus	20,090,386	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658
Net Income (Loss) for year	(239,009)	(167,019)	(588,409)	(1,612,142)	(2,240,236)	(2,541,698)	(2,799,349)	(3,059,442)	(3,333,401)	(3,617,850)
	19,851,379	20,407,639	19,986,249	18,962,516	18,334,422	18,032,960	17,775,309	17,515,216	17,241,257	16,956,808

For 2002 Contributed Surplus made up of:	
Cash on Hand	2,700
Returnable Containers	50
Inventory	45,000
Land Value as of Jan 1/2002	20,376,565
	20,424,315
Less: Retirement Allowance & Vacation Liability	(333,927)
	20,090,386

Golf Services - Special Operating Agency
Notes to the Financial Projection
For Five Years ending December 31, 2011

1 DESCRIPTION OF BUSINESS

The SOA manages the golf courses operated by the City and administers the agreements for those courses under lease or contract to other parties. The intent of the Agency is to maximize the annual return to the City on golf operations and ensure the long term sustainability of the City's golf course assets.

2 ACCOUNTING POLICIES

The projected financial statements are prepared on the basis of generally accepted accounting principles.

The projections include the following significant accounting policies:

Inventory

Merchandise inventory is stated at the lower of cost and net realizable value.

Land

Land is recorded at values as determined by the City of Winnipeg Property Assessment Department as of January 1, 2002

Buildings

Buildings are recorded at January 1, 2002 assessed values and projected additions are valued at estimated construction or acquisition cost. Buildings are depreciated on a straight-line basis at 4% annually.

Golf Course Improvements

Improvements are recorded at estimated total cost of construction. Improvements are depreciated on a straight line basis at the rate of 5%.

Furniture and other Equipment

These assets are being depreciated on a straight line basis at the rate of 10%.

3 HYPOTHESES

The financial projections have been based on the following hypothesis:

Green Fees

Green fees represent approximately 80% of total revenues. Projections included assume that time available for play on all courses will remain constant in each of the five years. Weather variables, over which management has no control, represents the largest risk to attaining projected revenues.

4 ASSUMPTIONS - REVENUE

a) Green Fees

Green fee revenue is projected to increase by an average of 3% per year from 2007 to 2011. The number of rounds is projected to remain relatively constant over the term of the business plan.

b) Equipment Rentals

The auto cart fleet consists of 62 units (all owned). The number of auto cart rentals over the period is projected to remain constant at10,930 per year. The fee per use will increase from the current $25.00 to $26.00 in 2008 and $27.00 in 2011. Other rental equipment includes individual clubs, club sets and pull carts. Rates are assessed annually and adjusted to be competitive within the local market.

c) Merchandise Gross Profits

Golf Services will be aggressive in merchandise sales. Pro shops at the 18 hole facilities have been expanded and clothing lines have been introduced. Gross sales are projected to increase by 20% over the term of the business plan and the average profit margin will remain constant at approximately 33%. WGS will continue to focus on the beginner and recreational golfer market with high-end sales being accommodated through selective purchasing and special orders. The effect of new major golf merchandise retailers in the Winnipeg market has and will continue to challenge the SOA to achieve sales targets.

d) Concessions

A new concession contractor was engaged in 2004. Over the past three years the contractor has worked to restore quality and customer confidence in concession services. Lower than projected rounds over the term of the contract affected concession revenues. The concession operation will continue to be monitored. Net concession revenue is expected to increase at an average of 2% per year over the term of the plan.

e) Miniature Golf

A miniature golf course is tentatively planned to be developed at Crescent Drive Golf Course in 2008. This site offers the advantage of not requiring additional operating staffing as it will be located in close proximity to the existing clubhouse and starter building. The current staff compliment can service the mini golf. Revenues are being conservatively estimated with the number of rounds growing modestly over the term of the plan. The construction of the course will be dependant upon results of the Golf Strategic Review, availability of funding and its relative priority in comparison to other capital projects.

f) Other

Other revenues include the City's share of sport activity sales at Harbour View complex and miscellaneous income from promotions and special events. Revenues in this category are flat over the term of the plan.

g) Leasing Operations

Revenues from leased and privately contracted courses (net of property taxes and leasing support costs) is returned to the golf operation.

5 ASSUMPTIONS - EXPENSES

a) Salaries and employee benefits

The SOA operates with the following staff compliment over the 5 year period assuming that the mix of leased / contracted courses versus City operated courses does not change:

1 Chief Operating Officer (full time) WAPSO Exempt

1 Operations Assistant (full time) CUPE

1 Foreman II/III (full time) CUPE

51 seasonal CUPE Utility, Maintenance and Clerk positions (may vary due to operational requirements)

Salaries are based on existing grades with provision for increments. Projections include a 3% inflation factor. Employee benefits are estimated at 17%.

b) Professional & Consultative Services

The SOA is responsible for the Manager's retainer fee for Harbour View Golf Course and Recreation Complex.

c) Special Services - Non-Professional

Provision for cash pick up and security services as well as miscellaneous service requirements.

d) Allocated Departmental Costs

The SOA receives building maintenance services from the Public Works Department. In 2005 approximately $50,000 is budgeted for routine and preventative maintenance and approximately $100,000 is budgeted for equipment repairs and replacements. As well this account funds special projects that are required to maintain current code, health and occupancy regulations and standards. The Agency will continually assess the cost of Public Works providing building maintenance service against that of alternative methods of service delivery and will make adjustments based on cost effectiveness and service quality over the five-year period.

e) Auto Allowance

Three employees are on auto allowance, two in the "required" category and one on "regular".

f) Utilities

Heat, power and water charges are paid by Golf Services for all clubhouse and maintenance buildings.

g) Telephone

Telephone, cellular phone and alarm system charges are expected to remain constant. An inflationary increase has been projected.

h) Advertising

Advertising costs will vary over the term of the business plan. Special events, launches and promotions will dictate advertising costs.

I) Rentals

Rental of auto carts, mobile concession carts, portable toilets and various maintenance equipment is required in situations where it is not practical or cost effective to purchase the equipment.

j) Training

Employees are trained in pesticide application, turf maintenance, customer service, supervisory skills and other programs that contribute to a more effective operation.

k) Other Parts and Accessories

Parts for aging equipment and irrigation systems.

6) ASSUMPTIONS - AMOUNTS ALLOCATED TO CITY

a) Property tax Equivalents and Departmental Support Costs

Property tax equivalents have been estimated based on existing assessments and mill rates that would apply to Golf Course operations. Support Costs from the Planning, Property and Development Department consist of estimated variable costs of providing Financial, Human Resources/Payroll and Information Technology Services.

b) Office Accommodation Costs

The costs are as allocated by the Civic Accommodations Utility and apply to the office space allocated to G at 65 Garry Street.

c) Provisions for Payroll and Business Taxes

These imputed costs have been estimated based on the prevailing rates of taxation.

d) City's Return on Investment

The amounts projected include general government charges of 2% of total expenses, and have been set at a level that (with respect to total allocated costs) will provide a reasonable return on investment to the City.

7) ASSUMPTIONS - ASSETS AND LIABILITIES

a) Accounts Receivable

Since the Agency's year end normally occurs 1.5 to two months after the completion of the golf season, there are no trade receivables outstanding as at December 31.

b) Accounts payable and accrued liabilities

Normal trade accounts payable and accruals are projected to be nil based on the year end timing referred to in a) above.

c) Due To/Due From the City of Winnipeg

The City extends an operating line of credit through the General Revenue Due To/Due From account at prevailing rates of interest, and pays interest to the Agency at prevailing rates at such times in which the City owes money on current account to the Agency. The limit of this line of credit will be $2M

d) Retirement allowance and vacation liability

The initial liability of $155,661 is based on the estimated monetary value of unused sick time and accrued vacation time at December 31, 2001. It is assumed that further vacation time will be taken as earned. An expense estimate of sick time payouts has been projected for that portion of possible payouts that have not been accrued as at December 31, 2001.

e) Long Term Debt

The City provides funds for golf course capital improvements using the Golf Course Reserve as the source of funds. Interest is scheduled at the rate of 6% and principle repayment is scheduled over ten years commencing in two years after borrowing. A long-term loan has been provided by the City to finance the depreciable assets listed in Schedule 1. This loan, in the amount of $3,975,690 will generate interest at the rate of 6%, and will be repayable commencing in 2007.

8) FINANCIAL PROJECTIONS

These projections have been prepared using assumptions that reflect Golf Service's planned courses of action for the period covered given management's judgment as to the most probable set of economic conditions, together with one or more hypotheses that are assumptions which are consistent with the purpose of the information but are not necessarily the most probable in management's judgment.

The reader should be cautioned that the actual results achieved for the period covered will vary from the information presented and that the variations may be material.

Appendix B

WINNIPEG GOLF SERVICES
2007
GREEN FEES AND MISCELLANEOUS SERVICES

		2001	2002	2003	2004	2005	2006	2007*
KILDONAN / WINDSOR								
ADULT		20.00	21.00	22.00	23.00	24.00	25.00	26.00
SENIOR (weekday / weekend after 2:30)		13.00	14.00	15.00	15.50	16.50	17.50	18.50
JUNIOR (weekday / weekend after 2:30)		11.00	11.50	12.00	12.50	13.00	14.00	14.50
TWILITE	adult / senior	12.00	13.00	14.00	15.00	15.00	15.00	16.00
	junior	11.00	11.50	12.00	12.50	13.00	14.00	14.50
SUNRISE (Windsor)	adult / senior	12.00	12.00	12.00	13.00	13.00	13.00	13.00
	junior	11.00	11.50	12.00	12.50	13.00	13.00	13.00
JOHN BLUMBERG (18 hole)								
ADULT		22.00	23.00	24.00	25.00	26.00	27.00	28.00
SENIOR (weekday / weekend after 2:30)		15.00	16.00	17.00	17.50	18.50	19.50	20.50
JUNIOR (weekday / weekend after 2:30)		12.00	13.00	14.00	14.50	15.00	16.00	16.50
TWILITE	adult / senior	13.00	14.00	15.00	16.00	16.00	16.00	17.00
	junior	12.00	13.00	14.00	14.50	15.00	16.00	16.50
SUNRISE	adult / senior	12.00	13.00	13.00	14.00	14.00	14.00	14.00
	junior	11.00	12.00	13.00	14.00	14.00	14.00	14.00
JOHN BLUMBERG (9 hole)								
ADULT		12.00	12.50	12.50	12.50	13.00	13.50	14.00
2nd round		10.00	10.00	10.00	10.50	11.00	11.00	11.00
SENIOR		9.00	9.50	9.50	9.50	10.00	10.00	10.50
2nd round		5.50	5.50	5.50	6.00	6.50	6.50	6.50
JUNIOR		9.00	9.50	9.50	9.50	10.00	10.00	10.50
2nd round		4.50	4.50	4.50	5.00	5.50	5.50	5.50
CRESCENT DRIVE / HARBOUR VIEW								
ADULT		10.00	10.50	11.00	11.00	11.50	12.00	12.50
2nd round		8.50	9.00	9.00	9.50	10.00	10.00	10.00
SENIOR		8.00	8.50	8.50	8.50	9.00	9.00	9.50
2nd round		5.00	5.50	5.50	6.00	6.00	6.00	6.00
JUNIOR		7.50	8.00	8.00	8.00	8.50	8.50	9.00
2nd round		3.50	3.50	4.00	4.00	4.50	4.50	4.50
SUNRISE	adult / senior	8.00	8.50	8.50	8.50	9.00	9.00	9.00
	junior	7.50	8.00	8.00	8.00	8.50	8.50	9.00
MISCELLANEOUS SERVICES (Windsor, Kildonan, Crescent Drive)								
Auto cart	18 hole	23.00	24.00	24.00	25.00	25.00	25.00	25.00
	9 hole	12.00	12.00	12.00	12.50	12.50	12.50	12.50
User fee private auto cart	18 hole	11.00	12.00	12.00	12.50	12.50	12.50	12.50
	9 hole	6.50	7.00	7.00	7.00	7.00	7.00	7.00
Rental clubs 7 piece	18 hole	6.50	7.00	7.00	7.00	8.00	8.00	8.00
	9 hole	4.50	5.00	5.00	5.00	6.00	6.00	6.00
11 piece	18 hole	10.00	11.00	11.00	11.00	12.00	12.00	12.00
Pull Cart	18 hole	4.00	4.50	3.95	4.50	4.50	4.50	5.00
	9 hole	2.50	3.00	3.00	3.00	3.00	3.00	3.00

*subject to change

Golf Services - Special Operating Agency
Projected Statement of Financial Position
December 31

	2005 Actual (Unaudited)	2006 Projected Actual	2007 $	2008 $	2009 $	2010 $	2011 $
ASSETS (Note 7)							
Current							
Cash	-	-	-	-	-	-	-
Due from City of Winnipeg	-	-	-	-	-	-	-
Accounts Receivable	213,824	213,824	213,824	213,824	213,824	213,824	213,824
Inventory (Note 2)	80,090	86,263	86,263	86,263	86,263	86,263	86,263
Prepaid Expenses	4,583	4,583	4,583	4,583	4,583	4,583	4,583
	298,497	304,670	304,670	304,670	304,670	304,670	304,670
Land, buildings and equipment:							
Land (Note 2)	20,376,565	20,376,565	20,376,565	20,376,565	20,376,565	20,376,565	20,376,565
Buildings (Note 2)	2,539,823	2,539,823	2,539,823	2,539,823	2,539,823	2,539,823	2,539,823
Golf Course Improvements (Note 2)	246,074	512,108	712,108	972,108	1,187,108	1,332,108	1,332,108
Furniture and Other Equipment (Note 2)	1,342,007	1,381,780	1,431,780	1,501,780	1,571,780	1,641,780	1,861,780
	24,504,469	24,810,276	25,060,276	25,390,276	25,675,276	25,890,276	26,110,276
Less: accumulated depreciation	822,141	1,078,880	1,351,758	1,642,136	1,951,389	2,276,642	2,620,020
	23,682,328	23,731,396	23,708,518	23,748,140	23,723,887	23,613,634	23,490,256
	23,980,825	24,036,066	24,013,188	24,052,810	24,028,557	23,918,304	23,794,926
LIABILITIES (Note 7)							
Current							
Due to City of Winnipeg	1,160,548	1,600,396	1,707,348	1,728,152	1,805,237	1,914,375	1,964,831
Accounts payable and accrued liabilities	52,187	20,109	20,109	20,109	20,109	20,109	20,109
Vacation Liability	34,295	37,703	33,933	30,540	27,486	24,737	22,263
Current portion of long-term debt	21,149	61,248	88,124	112,378	147,951	178,450	284,414
	1,268,179	1,719,456	1,849,514	1,891,179	2,000,783	2,137,671	2,291,617
Long Term							
Retirement allowance	146,000	133,500	120,150	108,135	97,322	87,589	78,830
Long-term debt	3,604,130	3,848,688	4,010,564	4,278,187	4,415,236	4,451,786	4,467,670
	3,750,130	3,982,188	4,130,714	4,386,322	4,512,557	4,539,376	4,546,501
RETAINED EARNINGS							
Contributed Surplus	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658
Operating Surplus/Deficit	(1,612,142)	(2,240,236)	(2,541,698)	(2,799,349)	(3,059,442)	(3,333,401)	(3,617,850)
	18,962,516	18,334,422	18,032,960	17,775,309	17,515,216	17,241,257	16,956,808
	23,980,825	24,036,066	24,013,188	24,052,810	24,028,556	23,918,304	23,794,926

Golf Services - Special Operating Agency
Projected Statement of Operations & Deficit
For the Years Ended December 31

	2005 Actual (Unaudited)	Council Adopted 2006	2006 Projected Actual	Variance	2007 Previously Approved	2007	2008	2009	2010	2011
Revenues: (Note 4)										
Green Fees	1,669,335	2,660,850	2,050,966	(609,884)	2,760,159	2,453,715	2,531,495	2,609,259	2,687,076	2,764,860
Equipment Rentals	171,252	308,305	230,146	(78,159)	308,305	267,593	276,430	278,430	276,430	285,017
Concessions	109,179	120,000	113,489	(6,511)	120,000	100,000	100,000	105,000	110,250	110,250
Merchandise Sales	107,752	158,447	103,606	(54,841)	163,200	110,000	110,000	123,000	125,000	132,000
Other	28,579	30,000	47,989	17,989	30,000	52,723	52,723	52,723	52,723	52,723
Miniature Golf	-	-	-	-	18,574	-	18,574	30,257	34,795	34,795
Net Revenue-Leasing Operations	38,390	85,115	116,995	31,880	68,422	120,368	119,559	119,718	117,847	116,042
Total Revenues	2,324,487	3,342,727	2,663,189	(679,538)	3,468,660	3,104,699	3,208,781	3,315,417	3,404,121	3,496,587
Expenses: (Note 5)										
Salaries & Employee Benefits	1,255,602	1,380,384	1,344,870	(15,484)	1,401,163	1,385,216	1,426,769	1,469,576	1,513,666	1,559,075
Services	642,048	625,106	483,419	(141,688)	643,862	462,041	473,935	488,156	502,805	517,890
Materials,Parts,Supplies	270,874	282,167	298,196	16,029	290,835	269,085	277,157	285,474	294,039	302,864
Interest on Short Term Debt	19,886	19,129	25,286	6,158	19,128	64,000	64,000	64,000	64,000	64,000
Interest on Long Term Debt - Capital Plan	22,909	41,666	36,011	(5,545)	67,887	54,135	70,575	86,525	96,147	101,766
Total Expenses	2,211,510	2,328,313	2,187,782	(140,531)	2,422,875	2,234,485	2,312,436	2,393,733	2,470,657	2,545,595
Net Revenue	112,977	1,014,414	475,408	(539,008)	1,045,985	870,214	896,345	921,684	933,464	950,992
Allocated to the City: (Note 6)										
Property Tax Equivalents	213,284	213,284	194,965	(18,319)	219,682	219,682	226,272	233,060	240,052	247,253
Departmental Support Costs	43,936	45,254	45,254	-	46,612	46,612	48,010	49,451	50,934	52,461
Office Accommodation Costs	15,206	17,356	17,365	7	17,300	17,300	17,330	17,389	17,911	18,448
Provision for Payroll Taxes	23,655	20,051	24,228	4,177	20,652	24,955	25,703	26,474	27,268	28,085
Provision for Business Taxes	25,853	26,628	24,271	(2,357)	27,426	27,426	28,249	29,097	29,970	30,869
Interest on Long Term Debt - Acquired Assets	187,961	187,961	187,961	0	187,961	187,961	186,747	185,459	184,095	182,648
City's Return on Investment	369,000	374,618	343,964	(30,654)	369,810	365,844	320,052	320,000	320,000	320,000
Total allocated to the City	889,894	885,154	838,008	(47,145)	889,443	889,780	852,363	860,930	870,230	879,764
Other:										
Depreciation, Fixed Assets (Schedule 1A)	239,325	259,349	256,739	(2,610)	285,349	272,878	290,378	309,253	325,253	343,378
Annual Audit Fee	7,490	10,609	8,755	(1,854)	10,927	9,018	11,255	11,593	11,941	12,299
Total Other and Allocated to the City	1,136,709	1,155,112	1,103,502	(51,610)	1,185,719	1,171,676	1,153,996	1,181,776	1,207,424	1,235,441
Net Income/(Loss)	(1,023,733)	(140,698)	(628,094)	(487,396)	(139,734)	(301,462)	(257,651)	(260,092)	(273,959)	(284,449)

Golf Services - Special Operating Agency
Projected Statement of Cash Flow
For the Years Ended December 31

	2005 Actual (Unaudited)	2006 Projected Actual	2007	2008	2009	2010	2011
Net inflow (outflow) of cash related to the following activities:							
OPERATING							
Net earnings (loss) for the year	(705,815)	(340,763)	3,576	(527)	(5,202)	(21,121)	(33,670)
Non-cash items relating to operations:							
Amortization	239,325	256,739	272,878	290,378	309,253	325,253	343,378
Increase in Retirement Allowance	-	(12,500)	(13,350)	(12,015)	(10,814)	(9,732)	(8,758)
Working capital from operations	(466,590)	(96,524)	263,104	277,836	293,237	294,400	300,949
Changes in non-cash operating working capital items:							
Accounts receivable	(186,272)	0	-	-	-	-	-
Inventory	30,743	(5,173)	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Accounts payable and accrued liabilites	43,291	(32,078)	-	-	-	-	-
Vacation Liab	(12,901)	3,408	(3,770)	(3,393)	(3,054)	(2,749)	(2,474)
	(591,728)	(131,368)	259,334	274,443	290,183	291,651	298,475
FINANCING							
Increase/(decrease) in Due to City of Winnipeg - General Revenue Fund	916,589	439,848	106,952	20,804	77,085	109,138	50,456
Incr in Long-term debt - Required for Capital Plan	233,279	284,657	188,752	291,876	172,622	67,049	121,848
Transfer to City of Winnipeg - General Revenue Fund	(317,818)	(287,331)	(305,038)	(257,124)	(254,890)	(252,838)	(250,779)
	832,050	437,174	(9,334)	55,556	(5,183)	(76,651)	(78,475)
INVESTING							
Purchase of Land	-	-	-	-	-	-	-
Purchase of Buildings	-	-	-	-	-	-	-
Purchase of Golf Course Improvements	(112,635)	(266,034)	(200,000)	(260,000)	(215,000)	(145,000)	-
Purchase of Furniture and Other Equipment	(127,687)	(39,773)	(50,000)	(70,000)	(70,000)	(70,000)	(220,000)
Proceeds from disposal of equipment							
	(240,322)	(305,807)	(250,000)	(330,000)	(285,000)	(215,000)	(220,000)
NET CASH INFLOW (OUTFLOW)	-	(0)	-	(0)	0	0	(0)
CASH POSITION, BEGINNING OF YEAR	-	-	(0)	(0)	(1)	(0)	(0)
CASH POSITION, END OF YEAR	-	(0)	(0)	(1)	(0)	(0)	(1)

Golf Services - Special Operating Agency
Projected Statement of Equity
December 31

	2002 $	2003 $	2004 $	2005 $	2006 $	2007 $	2008 $	2009 $	2010 $	2011 $
Contributed Surplus	20,090,388	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658	20,574,658
Net Income (Loss) for year	(239,009)	(167,019)	(588,409)	(1,612,142)	(2,240,236)	(2,541,698)	(2,799,349)	(3,059,442)	(3,333,401)	(3,617,850)
	19,851,379	20,407,639	19,986,249	18,962,516	18,334,422	18,032,960	17,775,309	17,515,216	17,241,257	16,956,808

For 2002 Contributed Surplus made up of:	
Cash on Hand	2,700
Returnable Containers	50
Inventory	45,000
Land Value as of Jan 1/2002	20,376,565
	20,424,315
Less: Retirement Allowance & Vacation Liability	(333,927)
	20,090,388