THE CITY OF WINNIPEG
GOLF SERVICES - SPECIAL OPERATING AGENCY

PROJECTED STATEMENT OF FINANCIAL POSITION

As at December 31
(in thousands of dollars)

	Actual 2018	Budget 2019	Forecast 2019	Variance 2019	**2020**	2021	2022	2023
FINANCIAL ASSETS								
Accounts receivable (Note 3)	$ 129	$ 140	$ 132	$ 8	**$ 134**	$ 137	$ 140	$ 142
LIABILITIES								
Due to The City of Winnipeg - General Revenue Fund (Note 4)	5,941	6,199	5,299	900	**4,726**	4,050	3,307	2,548
Accounts payable and accrued liabilities	84	113	86	27	**87**	89	91	93
Deferred revenue	131	117	134	(17)	**136**	139	142	145
Debt (Note 5)	2,791	2,751	2,751	-	**2,708**	2,662	2,613	2,562
Accrued employee benefits (Note 6a)	111	179	113	66	**115**	118	120	123
	9,058	9,359	8,382	977	**7,773**	7,058	6,273	5,469
NET FINANCIAL LIABILITIES	(8,929)	(9,219)	(8,251)	(968)	**(7,639)**	(6,921)	(6,133)	(5,327)
NON-FINANCIAL ASSETS								
Tangible capital assets (Note 7)	22,833	22,901	22,750	151	**22,601**	22,437	22,239	22,074
Inventories	50	49	51	(2)	**52**	53	54	55
	22,883	22,950	22,801	149	**22,653**	22,490	22,293	22,129
ACCUMULATED SURPLUS (Note 8)	$ 13,954	$ 13,731	$ 14,550	$ (819)	**$ 15,014**	$ 15,570	$ 16,160	$ 16,802

Commitments and Contingencies (Note 10)

See accompanying notes and schedules to the financial statements

THE CITY OF WINNIPEG
GOLF SERVICES - SPECIAL OPERATING AGENCY

PROJECTED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the years ended December 31
(in thousands of dollars)

	Actual 2018	Budget 2019	Forecast 2019	Variance 2019	**2020**	2021	2022	2023
REVENUES								
Green fees	$ 1,539	$ 1,600	$ 1,653	$ (53)	**$ 1,727**	$ 1,802	$ 1,879	$ 1,957
Transfer from The City of Winnipeg - General Revenue Fund	730	730	730	-	**730**	730	730	730
Equipment rentals	368	348	375	(27)	**383**	390	398	406
Net revenue from leasing operations	179	174	189	(15)	**174**	189	189	189
Merchandise sales	51	56	52	4	**53**	55	56	57
Concessions	41	45	42	3	**43**	44	45	46
Transfer from General Capital Fund	27	-	-	-	-	-	-	-
Other	75	60	73	(13)	**74**	75	76	77
Total Revenues	3,010	3,013	3,114	(101)	**3,184**	3,285	3,373	3,462
EXPENSES								
Salaries and employee benefits (Note 6)	1,246	1,517	1,268	249	**1,512**	1,539	1,580	1,616
Transfer to The City of Winnipeg - General Capital Fund	-	-	-	-	**0**	-	-	-
Services (Note 9)	650	716	660	56	**634**	620	633	649
Amortization	240	243	236	7	**237**	239	238	235
Supplies	213	272	221	51	**210**	215	224	223
Interest (Note 4)	89	51	92	(41)	**83**	74	63	52
Other	41	44	42	2	**43**	44	44	45
Total Expenses	2,479	2,843	2,518	325	**2,719**	2,730	2,783	2,820
Annual Surplus	531	170	596	(426)	**464**	555	590	643
ACCUMULATED SURPLUS, BEGINNING OF YEAR	13,423	13,561	13,954	(393)	**14,550**	15,014	15,570	16,160
ACCUMULATED SURPLUS, END OF YEAR	$ 13,954	$ 13,731	$ 14,550	$ (819)	**$ 15,014**	$ 15,570	$ 16,160	$ 16,802

See accompanying notes and schedules to the financial statements

THE CITY OF WINNIPEG
GOLF SERVICES - SPECIAL OPERATING AGENCY

PROJECTED STATEMENT OF CASH FLOWS

For the years ended December 31
(in thousands of dollars)

	Actual 2018	Budget 2019	Forecast 2019	Variance 2019	**2020**	2021	2022	2023
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:								
OPERATING								
Annual Surplus	$ 531	$ 170	$ 596	$ (426)	**$ 464**	$ 555	$ 590	$ 643
Non-cash charges to operations								
Amortization	240	243	236	7	**237**	239	238	235
Retirement allowance and compensated absences	(63)	4	2	2	**2**	2	2	2
	708	417	834	(417)	**703**	797	831	880
Net change in non-cash working capital balances related to operations	(2)	-	1	(1)	**1**	1	1	1
Cash provided by operating activities	706	417	835	(418)	**704**	798	831	881
CAPITAL								
Acquisition of tangible capital assets	(113)	(88)	(153)	65	**(88)**	(76)	(40)	(70)
FINANCING								
Change in due to The City of Winnipeg - General Revenue Fund	(554)	(288)	(642)	354	**(573)**	(676)	(742)	(760)
Repayment of debt - The City of Winnipeg	(39)	(41)	(40)	(1)	**(43)**	(46)	(49)	(51)
Cash used in financing activities	(593)	(329)	(682)	353	**(616)**	(722)	(791)	(811)
CASH, BEGINNING OF YEAR	-	-	-	-	-	-	-	-
CASH, END OF YEAR	$ -	$ -	$ -	$ -	**$ -**	$ -	$ -	$ -

See accompanying notes and schedules to the financial statements

THE CITY OF WINNIPEG
GOLF SERVICES - SPECIAL OPERATING AGENCY

PROJECTED STATEMENT OF CHANGE IN NET FINANCIAL LIABILITIES

For the years ended December 31
(in thousands of dollars)

	Actual 2018	Budget 2019	Forecast 2019	Variance 2019	**2020**	2021	2022	2023
ANNUAL SURPLUS	$ 531	$ 170	$ 596	$ (426)	**$ 464**	$ 555	$ 590	$ 643
Amortization of tangible capital assets	240	243	236	7	**237**	239	238	235
Change in inventories	(3)	(1)	(1)	-	**(1)**	(1)	(1)	(1)
Acquisition of tangible capital assets	(113)	(88)	(153)	65	**(88)**	(76)	(40)	(70)
DECREASE IN NET FINANCIAL LIABILITIES	655	324	678	(354)	**612**	718	787	806
NET FINANCIAL LIABILITIES, BEGINNING OF YEAR	(9,584)	(9,543)	(8,929)	(614)	**(8,251)**	(7,639)	(6,921)	(6,133)
NET FINANCIAL LIABILITIES, END OF YEAR	$ (8,929)	$ (9,219)	$ (8,251)	$ (968)	**$ (7,639)**	$ (6,921)	$ (6,133)	$ (5,327)

See accompanying notes and schedules to the financial statements

THE CITY OF WINNIPEG
GOLF SERVICES - SPECIAL OPERATING AGENCY

NOTES TO THE PROJECTED FINANCIAL STATEMENTS

For the four years ending December 31, 2023
(all tabular amounts are in thousands of dollars, unless otherwise noted)

1. Status of Golf Services - Special Operating Agency

On February 23, 2000, City Council directed that a Business Plan and Operating Charter for Golf Services - Special Operating Agency (the "Agency") be prepared and further that the municipal golf course operations be realigned under the purview of the Planning, Property and Development Department.

The Agency manages the golf courses operated by The City of Winnipeg 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 of Winnipeg on golf operations and ensure the long-term sustainability of the City's golf course assets.

The Agency commenced operations on January 1, 2002.

2. Significant Accounting Policies

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The significant accounting policies are summarized as follows:

a) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recorded as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

b) Deferred revenue

Sales of prepaid passes that have not been redeemed are deferred and recognized as revenue in the year in which the rounds are played.

c) Employee benefit plan

The Winnipeg Civic Employees' Benefits Program is a multi-employer contributory defined benefit program and accordingly contributions are expensed as incurred. The costs of other retirement benefits have been accounted for based on actuarially determined amounts using the projected benefits method prorated on services and management's best estimate of retirement ages of employees, salary escalation and plan investment performance. Actuarial gains and losses are amortized on a straight-line basis over the average remaining service period. The liabilities are discounted using current interest rates on long-term bonds.

d) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the deficiency of revenues over expenses, provides the change in financial liabilities for the year.

2. Significant Accounting Policies (continued)

i) Tangible capital assets

Land and buildings are stated at assessed values as of January 1, 2002, which were determined by The City of Winnipeg Assessment and Taxation Department. All golf course improvements incurred up to January 1, 2002 are assumed to be fully amortized. Equipment on hand as at January 1, 2002 is recorded at its estimated net realizable value on that date. Subsequent acquisitions are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Building	25 years
Equipment	5 to 10 years
Golf course improvements	20 years

ii) Inventories

Inventories held for consumption are recorded at the lower of cost and net realizable value.

e) Revenue recognition

Green fees and equipment rentals income are recognized when the services are provided. Sale of goods are recorded when the customer receives the product. Income from prepaid cards is recognized in the year in which the rounds are played.

f) Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions on such areas as employee benefits, and the useful life of tangible capital assets. These estimates and assumptions are based on the Agency's best information and judgment and may differ significantly from actual results.

3. Accounts Receivable

	2020	2021	2022	2023
Trade accounts receivable	**$ 553**	$ 556	$ 559	$ 561
Allowance for doubtful accounts	**(419)**	(419)	(419)	(419)
	$ 134	137	140	142

4. Due to The City of Winnipeg - General Revenue Fund

The City of Winnipeg operates a centralized treasury function with a single operating bank account in the General Revenue Fund. Consequently, the Agency does not have a bank account. Bank transactions are credited or charged to the "Due to" account when they are processed through the bank. Interest is credited or charged based on The City of Winnipeg's average short-term cost of funds, which is a function of the Bank of Canada rate.

5. Debt

	2020	2021	2022	2023
The City of Winnipeg - General Revenue Fund				
Start-up loan, non-interest bearing	**$ 2,708**	$ 2,662	$ 2,613	$ 2,562

6. Accrued Employee Benefits

a) Retirement allowance, vacation and compensated absences

	2020	2021	2022	2023
Retirement allowance, vacation and compensated absences	**$ 115**	**$** 118	$ 120	$ 123

Under the retirement allowance plan, qualifying employees become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). In addition, adjustments arising from plan amendment, changes in assumptions, and experience gains and losses are amortized on a straight-line basis over 15.3 years, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year of occurrence of the actuarial gains or losses.

Compensated absences represent benefits expected to be paid during future employee absences in respect of sick leave days earned in previous years.

b) Pension

The Agency's employees are eligible for pensions under the Winnipeg Civic Employees' Benefits Program. The Plan is a defined benefit plan. The City of Winnipeg allocates its pension costs to various departments. An actuarial valuation for the Winnipeg Civic Employees' Benefits Program was made as of December 31, 2018 and it has an actuarial surplus.

7. Tangible Capital Assets

	Net Book Value			
	2020	2021	2022	2023
Land	**$ 20,377**	$ 20,377	$ 20,377	$ 20,377
Building, equipment, and golf course improvements	**2,224**	2,060	1,862	1,697
	$ 22,601	$ 22,437	$ 22,239	$ 22,074

8. Accumulated Surplus

	2020	2021	2022	2023
Invested in tangible capital assets	**$ 2,027**	$ 1,863	$ 1,665	$ 1,500
Allocated equity	**288**	351	451	522
Contributed surplus	**20,574**	20,574	20,574	20,574
Operating	**(7,875)**	(7,219)	(6,530)	(5,794)
	$ 15,014	**$** 15,570	$ 16,160	$ 16,802

9. Related Party Transactions

The Agency is wholly-owned by The City of Winnipeg. Transactions between the Agency and The City of Winnipeg are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

In addition to those disclosed elsewhere in the financial statements, the transactions that occurred are as follows:

	2020	2021	2022	2023
Planning, Property and Development Department, Municipal Accommodations Fund for miscellaneous services	**$ 82**	$ 84	$ 86	$ 87
Winnipeg Fleet Management Agency for fleet leasing services	**127**	100	106	111
Water and Waste Department for miscellaneous services	**9**	9	9	9
	$ 218	$ 193	$ 201	$ 208

10. Commitments and Contingencies

a) The Agency has entered into a lease agreement with a third party for the lease of a building facility for a 25 year term until 2040. Future minimum annual lease payments are as follows:

	Operating Leases
2020	$ 24
2021	24
2022	24
2023 and thereafter	423
	$ 495

b) Legal obligations

As part of the normal course of operations, lawsuits are pending against the Agency. The final outcome with respect to actions that will arise from these lawsuits cannot be predicted with certainty.