THE CITY OF WINNIPEG
GOLF SERVICES - SPECIAL OPERATING AGENCY

PROJECTED STATEMENT OF FINANCIAL POSITION

As at December 31
(in thousands of dollars)

	Actual 2019	Budget 2020	Forecast 2020	Variance 2020	**2021**	2022	2023	2024
FINANCIAL ASSETS								
Accounts receivable (Note 3)	$ 121	$ 134	$ 93	$ 41	**$ 95**	$ 97	$ 99	$ 101
LIABILITIES								
Due to The City of Winnipeg - General Revenue Fund (Note 4)	5,096	4,725	4,334	391	**3,624**	2,759	1,873	910
Accounts payable and accrued liabilities	133	87	106	(19)	**108**	110	112	114
Deferred revenue	147	136	150	(14)	**153**	156	159	162
Debt (Note 5)	2,750	2,708	2,708	-	**2,662**	2,613	2,562	2,507
Accrued employee benefits (Note 6a)	128	116	131	(15)	**133**	136	139	141
	8,254	7,772	7,428	344	**6,680**	5,774	4,845	3,835
NET FINANCIAL LIABILITIES	(8,133)	(7,638)	(7,335)	(303)	**(6,584)**	(5,677)	(4,745)	(3,734)
NON-FINANCIAL ASSETS								
Tangible capital assets (Note 7)	22,716	22,601	22,696	(95)	**22,598**	22,398	22,231	22,037
Inventories and prepaid expenses	53	52	54	(2)	**55**	56	57	59
	22,769	22,653	22,750	(97)	**22,653**	22,454	22,288	22,096
ACCUMULATED SURPLUS (Note 8)	$ 14,636	$ 15,015	$ 15,415	$ (400)	**$ 16,069**	$ 16,777	$ 17,543	$ 18,362

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 2019	Budget 2020	Forecast 2020	Variance 2020	**2021**	2022	2023	2024
REVENUES								
Green fees	$ 1,684	$ 1,727	$ 1,759	$ (32)	**$ 1,853**	$ 1,932	$ 2,012	$ 2,094
Transfer from The City of Winnipeg - General Revenue Fund	730	730	730	-	**730**	730	730	729
Equipment rentals	405	382	413	(31)	**421**	429	438	447
Net revenue from leasing operations	188	174	189	(15)	**189**	189	189	189
Merchandise sales	59	53	60	(7)	**61**	62	63	65
Concessions	42	43	43	-	**44**	45	46	46
Other	45	74	48	26	**48**	49	49	50
Total Revenues	3,153	3,183	3,241	(58)	**3,347**	3,436	3,528	3,621
EXPENSES								
Salaries and employee benefits (Note 6)	1,302	1,512	1,308	204	**1,554**	1,582	1,617	1,661
Services (Note 9)	581	634	574	60	**560**	573	587	600
Amortization	236	237	238	(1)	**243**	241	237	228
Supplies	213	209	219	(10)	**224**	231	233	237
Interest (Note 4)	95	83	77	6	**66**	54	41	25
Other	44	43	45	(2)	**46**	47	48	49
Total Expenses	2,471	2,718	2,462	256	**2,693**	2,728	2,762	2,802
Annual Surplus	682	465	779	(314)	**654**	708	766	819
ACCUMULATED SURPLUS, BEGINNING OF YEAR	13,954	14,550	14,636	(86)	**15,415**	16,069	16,777	17,543
ACCUMULATED SURPLUS, END OF YEAR	$ 14,636	$ 15,015	$ 15,415	$ (400)	**$ 16,069**	$ 16,777	$ 17,543	$ 18,362

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 2019	Budget 2020	Forecast 2020	Variance 2020	**2021**	2022	2023	2024
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:								
OPERATING								
Annual Surplus	$ 682	$ 465	$ 779	$ (314)	**$ 654**	$ 708	$ 766	$ 819
Non-cash charges to operations								
Amortization	236	237	238	(1)	**243**	241	237	228
Retirement allowance and compensated absences	18	2	3	(1)	**3**	3	3	3
	936	704	1,020	(316)	**900**	951	1,005	1,050
Net change in non-cash working capital balances related to operations	69	1	2	(1)	**2**	2	2	2
Cash provided by operating activities	1,005	705	1,022	(317)	**902**	954	1,007	1,053
CAPITAL								
Acquisition of tangible capital assets	(119)	(88)	(218)	130	**(146)**	(40)	(70)	(35)
FINANCING								
Change in due to The City of Winnipeg - General Revenue Fund	(845)	(574)	(762)	188	**(710)**	(865)	(886)	(963)
Repayment of debt - The City of Winnipeg	(41)	(43)	(42)	(1)	**(46)**	(49)	(51)	(55)
Cash used in financing activities	(886)	(617)	(804)	187	**(756)**	(914)	(937)	(1,018)
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 2019	Budget 2020	Forecast 2020	Variance 2020	**2021**	2022	2023	2024
ANNUAL SURPLUS	$ 682	$ 465	$ 779	$ (314)	**$ 654**	$ 708	$ 766	$ 819
Amortization of tangible capital assets	236	237	238	(1)	**243**	241	237	228
Change in inventories and prepaid expenses	(3)	(1)	(1)	-	**(1)**	(1)	(1)	(1)
Acquisition of tangible capital assets	(119)	(88)	(218)	130	**(146)**	(40)	(70)	(35)
DECREASE IN NET FINANCIAL LIABILITIES	796	613	798	(185)	**750**	908	931	1,011
NET FINANCIAL LIABILITIES, BEGINNING OF YEAR	(8,929)	(8,251)	(8,133)	(118)	**(7,335)**	(6,584)	(5,677)	(4,745)
NET FINANCIAL LIABILITIES, END OF YEAR	$ (8,133)	$ (7,638)	$ (7,335)	$ (303)	**$ (6,584)**	$ (5,677)	$ (4,745)	$ (3,734)

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, 2024
(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

	2021	2022	2023	2024
Trade accounts receivable	**$ 95**	$ 97	$ 99	$ 101
Allowance for doubtful accounts	**0**	0	0	0
	$ 95	97	99	101

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

	2021	2022	2023	2024
The City of Winnipeg - General Revenue Fund				
Start-up loan, non-interest bearing	**$ 2,662**	$ 2,613	$ 2,562	$ 2,507

6. Accrued Employee Benefits

a) Retirement allowance, vacation and compensated absences

	2021	2022	2023	2024
Retirement allowance, vacation and compensated absences	**$ 133**	$ 136	$ 139	$ 141

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			
	2021	2022	2023	2024
Land	**$ 20,377**	$ 20,377	$ 20,377	$ 20,377
Building, equipment, and golf course improvements	**2,221**	2,021	1,854	1,660
	$ 22,598	$ 22,398	$ 22,231	$ 22,037

8. Accumulated Surplus

	2021	2022	2023	2024
Invested in tangible capital assets	**$ 2,024**	$ 1,824	$ 1,657	$ 1,463
Allocated equity	**155**	257	331	441
Contributed surplus	**20,574**	20,574	20,574	20,574
Operating	**(6,684)**	(5,878)	(5,019)	(4,116)
	$ 16,069	$ 16,777	$ 17,543	$ 18,362

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:

	2021	2022	2023	2024
Planning, Property and Development Department, Municipal Accommodations Fund for miscellaneous services	**$ 69**	$ 70	$ 71	$ 73
Winnipeg Fleet Management Agency for fleet leasing services	**92**	97	102	104
Water and Waste Department for miscellaneous services	**9**	9	9	9
	$ 169	$ 176	$ 182	$ 186

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	24
2024 and thereafter	399
	$ 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.