

Golf Course Loan Repayment

Appendix 1

Loan Assumptions

In 1996, a loan repayment schedule was put in place that would see the loan substantially repaid by the year 2010. Assumptions used when the repayment schedule was developed:

- the number of rounds would reach 256,700 by the year 2001
- Clubhouse Food Services would be generating profits of \$150,000 per year by 2002

In 1999, financial and statistical analysis were applied to revenue projections. Revised assumptions that accurately reflect revenue generation capability:

- 223,000 rounds, based on a 5 year average
- Clubhouses are expected to break even in 2001

Rounds Played

Attendance at our golf courses has decreased since the late 1980's. This is due, in part, to the boom in golf and the large number of golf courses constructed in the lower mainland. Another factor in recent years is the unusually wet weather in spring and early summer. This has contributed to low attendance, especially at Langara Golf Course, which does not drain as well as the other two courses.

	1993	1994	1995	1996	1997	1998	1999	2000	5 Year Average
Langara	*4,456	*38,636	76,734	66,648	72,413	73,175	62,716	**62,563	67,503
McCleery	73,632	*59,705	* 0	*38,747	77,798	78,912	68,988	**67,763	73,419
Fraserview	83,705	83,204	82,286	*67,373	* 0	*30,901	70,860	**76,382	79,487
Total	161,793	182,545	159,020	172,768	150,211	182,988	202,564	206,708	220,409

* Closed for redevelopment ** 2000 Rounds adjusted for labour dispute

1999 Financial Summary for Clubhouse Food Services

<u>Clubhouse Operations 1999</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Balance</u>
Administration		\$58,269	(-\$58,074)
Fraserview Clubhouse	\$396,270	\$351,550	\$44,720
Langara Clubhouse	\$331,227	\$355,136	(-\$23,909)
McCleery Clubhouse	<u>\$400,580</u>	<u>\$393,452</u>	<u>\$7,128</u>
TOTAL	\$1,128,077	\$1,158,211	(-\$30,134)

Golf Course Loan Repayment Schedule

	Interest Rate	6.40%		
	Opening Balance	Interest	Payment	Balance
2000			(1,873,400)	23,129,948
2001	23,129,948	1,480,317	(2,404,620)	22,205,644
2002	22,205,644	1,421,161	(2,924,400)	20,702,406
2003	20,702,406	1,324,954	(3,225,401)	18,801,959
2004	18,801,959	1,203,325	(3,566,779)	16,438,505
2005	16,438,505	1,052,064	(3,737,468)	13,753,101
2006	13,753,101	880,198	(3,908,157)	10,725,143
2007	10,725,143	686,409	(4,078,845)	7,332,707
2008	7,332,707	469,293	(4,249,534)	3,552,466
2009	3,552,466	227,358	(3,779,824)	0
Total		8,745,080	(33,748,428)	