

## Financial Narrative

### Annual Meeting

August 18, 2022

Seamen's Bank Account Balances Operations Checking \$91,200 Money Market \$36,775	Investment Account Balances Balance \$4,862,988.75 Line of Credit Bal. \$189,238	Cape Cod 5 Account Balances Capital Checking \$12,611.97 Money Market \$59,167
Summer Camp Revenue Total Registered 256 (256 Capacity) Revenue \$83,000	Membership Total & Revenue 275 Club Members Revenue \$325,000	

**Summary:** The Club completed several major capital improvements; kitchen upgrade, new bars inside and out, enhancements to the restrooms, new carpeting, and painting in the pro shop. These improvements are part of an ongoing capital plan to enhance and maintain our Club's infrastructure. The enhancements to the kitchen and addition of the outside bar have provide the Club the opportunity to partner with 349 Café to provide high quality food and beverage service. Other enhancements and the addition of staff has also increased the overall member/guest experience.

### Budget

Revenue: The harsh winter weather proved to be a detriment to golf rounds. Only holes 1-5 & 9 were open with limited activity. The spring and summer months are proving to be very strong revenue generators. With continued good weather, rounds of golf are ahead of projections as are most of the golf categories. Tennis & Pickleball have also enjoyed growth. The recent golf and tennis events had large turnouts with many events ending with lunch or cocktails on the deck, supporting the cafe.

349 Café has had steady growth & the residual bar business has been strong. As this news business continues to develop, trends are emerging which help with staffing, purchasing and the ability to maximize profits.

Waterfront/Sailing has also added some new revenue, but more marketing work will be required in the future. The summer camp was at full capacity this year and has provided residual income for both sailing lessons & boat rentals. The Beach Club was a hit again this year, but each week there was still availability.

Event income is coming in line with projections. Several additional parties will continue to bolster those numbers. The Club will host over 42 weddings and special events this season. Thanks to Reven Oliver and her team on a successful season. The Club is already well underway reserving wedding dates for 2023 and 2024. The expectation is that this department will continue to thrive as our venue is very sought after.

Expenses: The Finance Committee has continued to review the operational budget and stressed the need to pay careful attention to the Clubs overall payroll and watch service trends to reduce staffing when possible. The commitment to a higher service level has caused this spike in payroll.

The creation of new service bars required startup equipment and other related supply purchases that will take those numbers slightly higher. This area also required new staffing levels which contributed to the payroll increases.

Waterfront and Sailing has returned to the Club this year. In support of those activities, Harry Munns was hired to lead the program. This added a new salary to the Clubs payroll but was partial offset by the summer camp revenue. Additional expenses were incurred to bring the fleet of boats back to seaworthy status. This department will need to identify new revenue streams to help support expenses going forward.

Wedding and Event expenses are in line with projections, and it is expected that that business unit will again be profitable.

Bookkeeping: Steve Roderick and his firm have been handling the Clubs bookkeeping and payables for nearly 2 years. With the growth of our business units Roderick's has suggested the hiring of an internal bookkeeper. Nancy Crowley a CPA, retired, who helped the Club in the past, has been hired on a limited basis to take on this position. The basic plan is to utilize her skills about 15 hours per week on 2 targeted projects and help restore internal controls. The current balance sheet and reviewing accounts, expense accounts primarily in collaboration with our workgroup is the priority. This winter a goal of our workgroup is to align our chart of accounts with the current POS System. Additional winter work will focus on creating a cash flow report which is available through Quickbooks. The overall goal with all this work is to provide timely accurate reports to the Board and ultimately to the Membership.

The Finance Committee will begin its work on the 2023 budget in September. By that point, the reconciliation of both July and August 2022 will be complete, giving our workgroup the financial reporting needed to make final year-end projections along with strong projections for 2023 budget. The Committee will also work carefully to address the need to increase certain services, products, and membership fees. The goal is to continue to offer a quality club experience and to balance the revenues and expenses so that the Club will turn a modest profit.

**Chequessett Club**  
**Profit and Loss from Operations**  
2020 - 2021

	Total	
	Nov 2020 - Oct 2021	Nov 2019 - Oct 2020
<b>Income</b>		
6000.00 G & A	362,760.69	227,442.13
6200.00 Pro Shop - Golf	375,506.92	455,801.13
6300.30 Tennis	16,603.00	17,080.40
6400.40 Sailing	945.00	3,400.00
6400.45 - Junior Camp	62,390.00	4,723.00
6500.60 Food Service	50,479.85	21,261.13
6600.00 Pro Shop - Retail	45,975.34	32,979.16
6700.90 Event Income	453,011.69	17,584.73
Sales	0.00	0.00
<b>Total Income</b>	<b>\$ 1,367,672.49</b>	<b>\$ 780,271.68</b>
<b>Gross Profit</b>	<b>\$ 1,367,672.49</b>	<b>\$ 780,271.68</b>
<b>Expenses</b>		
7000.25 Pro Shop - COGS	56,987.25	4,863.85
7300.60 Food Service - COGS	32,440.66	12,112.04
8000.00 G&A	644,209.34	516,034.34
8000.30 Tennis Expenses	34,750.79	14,172.18
8000.40 Sailing & Waterfront Expenses	4,892.52	1,714.99
8000.45 Jr. Camp Expenses	27,607.39	157.68
8000.60 Food Service Expenses	11,497.48	3,675.81
8100.00 Maintenance & Pro Shop Expenses	372,762.15	365,751.55
8200.90 Event Expenses	206,017.60	42,407.77
8210.99 ERTC Tax Credits		-55,397.57
9100.80 Depreciation Expense	92,951.52	116,761.50
<b>Total Expenses</b>	<b>\$ 1,484,116.70</b>	<b>\$ 1,022,254.14</b>
<b>Net Operating Income</b>	<b>-\$ 116,444.21</b>	<b>-\$ 241,982.46</b>
<b>Other Income</b>		
9950.00 Tax-Exempt PPP Loan Forgiveness	108,247.55	95,200.00
<b>Total Other Income</b>	<b>\$ 108,247.55</b>	<b>\$ 95,200.00</b>
<b>Other Expenses</b>		
<b>Total Other Expenses</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Net Other Income</b>	<b>\$ 108,247.55</b>	<b>\$ 95,200.00</b>
<b>Net Income</b>	<b>-\$ 8,196.66</b>	<b>-\$ 146,782.46</b>