

MOUNT PLEASANT GOLF CLUB

141 Staples Street
Lowell, Massachusetts 01851

Established 1910

(978) 452-8228

MINUTES OF ONE-HUNDRED & SEVENTH ANNUAL MEETING

December 7, 2017

*** Unapproved Minutes for Member Review ***

A quorum being present, and with President Jason Howarth away on business, Vice President Chris Green called the meeting to order at 7:08 p.m. with all other board members present.

A moment of silence was observed in memory of all departed members and friends of Mount Pleasant.

Vice President Green thanked all members who have contributed to the ongoing welfare of the club.

Vice President Green then read the following message:

“Unfortunately, due to a work commitment I was not able to attend tonight’s meeting and wanted to extend my sincere gratitude to the membership for their trust and support over my eight years on the board. I would like to thank the current board as well as the many people I served with on past boards for their and devotion to Mount Pleasant. Personally, serving on the board has been both humbling and rewarding. As I leave the board of directors I know the club is in great hands, as like all previous boards, this board has great passion and dedication to Mount Pleasant and its members. I want to thank Brian Campbell for his lengthy commitment to Mount Pleasant, he has truly helped build what we have today. I wish everyone a great annual meeting, a Merry Christmas, a short winter, and an early spring.”

- From President Jason Howarth

APPROVAL OF THE MINUTES OF THE 2016 ANNUAL MEETING

Motion – By Jim Moriarty, seconded by George Emerson to waive the reading, and approve the minutes of the 2016 Annual Meeting. Vote unanimous. **Motion passed.**

REPORT OF THE FINANCE REVIEW COMMITTEE

Chairperson Michael King thanked the members of the Committee – Mark Byrne, Jr., Jay Dinneen, and Dan Moynihan – and described how the committee regularly met with the Treasurer

to go over the monthly financial reports, and more recently the annual financial statement. He also outlined how, after Brian announced he was not running for re-election as Treasurer, the Committee proposed a new part time bookkeeper role, developed a job description and posting (print and online), reviewed resumes and held first round telephone interviews, presenting the board with three recommended candidates. The board then conducted second round, in person interviews and selected a candidate who started training in late November.

The committee will continue to work with Brian and the new Treasurer on the transition as well as operations and procedures; continue to meet quarterly with the board; and meet regularly with Sean Tully on daily operations and processes.

Finally Mike thanked Brian for all his support and cooperation as well as his years of work as Treasurer.

Motion – By Bob Archinski, seconded by Mike Burns to accept the report of the Finance Review Committee. Vote unanimous. **Motion passed.**

REPORT OF THE TREASURER

Treasurer Brian Campbell reviewed the financial statement and report of auditors Shannon & Associates (attached, and made a part of these minutes), recapping the year and explaining all significant changes from last year's figures. He pointed out the current cash on hand is at \$200K (up a bit over last year), and the bank note is down to \$393K as of October; after a slow start financially due to a late start to the season and some bad weather, and after calculated cutbacks in purchasing and expenses, the situation rebounded in the fall with several healthy months (Brian cautioned that although the upstairs bar was up \$42K, the downstairs bar was down \$37K – a volatile trend).

Victor Kiloski thanked Brian for his years of service, and asked about the status of the budget – Brian stated that it was substantially complete, but due to several pending changes in directors the final decision was left to the new board.

Larry Howarth also thanked Brian for his many years of dedicated service.

Brian said it has been a pleasure to serve and wanted to especially thank Jack Hassett for both his assistance and his own contributions to Mount Pleasant over the years; he went on to thank the board (past and present), Sean Tully for all he's done, the Finance Review Committee for their assistance this year, Joel and his staff, and Lee Ann and the kitchen staff.

Motion – By Jay Heelon, seconded by Brian Moriarty to accept the report of the Treasurer. Vote unanimous. **Motion passed.**

REPORT OF THE GOLF COURSE (GREENS) CHAIRPERSON

Chairperson Gerry Foley thanked the board, especially Jason Howarth and Brian Campbell for all the support and assistance through the year; John Griffin for his assistance, particularly with the budget; Andrea Dutile for the web page additions and announcements; Jack Hassett for his years of service and assistance with the transition; Chuck Malatesta and crew for a relatively smooth transition year; Joel and staff and Phil Regan for all their cooperation; Bob Sheehan for his work this year at the Barn; and finally his committee consisting of Brendan Allen, Chris Finneral, Karen Moynihan, Tom Lamond, Fred Lovejoy, Eric Hoose, and Jack Hassett.

Year-end review: Gerry noted there were some subtle differences this year (fairways cut on the diagonal), bunkers re-edged, trees replaced on # 6, etc.; a new software package (TRIM) has been installed to improve tracking and reporting going forward; two new club cars were purchased, and one old one was sold; planning with National Grid has started on their line replacement project along # 4, scheduled for April 2019; also looking into options for an new irrigation system.

Not finished this year but still in the queue are new signs for tee boxes, regrading # 7 tee boxes; installing a new pump line to the pond; removal of arborvitaes along # 3 tee box; and overall improvements to the flower beds.

Question: will National Grid rebuild and relocate the gate house between # 4 green and # 5 tee onto our property? Not at this time, but it is early in the process.

Jim Moriarty asked about possibly financing the irrigation system with a model similar to our current debt payment plan – while possible, it's still preliminary with much planning to be done and options to be considered.

Motion - By Jay Dinneen, seconded by Jeff Hardy to accept the report of the Golf Course Committee. Vote unanimous. **Motion passed.**

REPORT OF THE HOUSE CHAIRPERSON

Chairperson Donna McMahon thanked the many members and volunteers who have contributed and participated at events throughout the year; the board, especially Andrea Dutile for the web promotions and email notices; and committee members Jim Young, Diane McLeod, Kathy Gregoire, Kristen Woods, Sean Tully, Tom Livingston, Karen Moynihan, and Sue Livingston.

Donna also reviewed some of the improvements of the past year, including a new stove and refrigerator, new carpet, security cameras, new patio furniture (including high tops), and made clear the committee is always open to input regarding new events and improvements.

Finally Donna thanked Jason Howarth and Brian Campbell for their ongoing support and commitment to Mount Pleasant.

Motion – By George Emerson, seconded by Don Upton to accept the report of the House Committee. Vote unanimous. **Motion passed.**

REPORT OF THE GOLF TOURNAMENT CHAIRPERSON

Chairperson Phil Regan thanked all the members of his committee, Dave Mungovan and the Handicap Committee, and Joel and the Pro Shop staff for their efforts during the past year.

He also reviewed some of the highlights of the past year, including the Smoker, 2 Day Member Guest, the Member/Member, the Vaughan Cup (won by Mount Pleasant), and a double eagle Albatross (hole-in-one) on # 5 (par 4) by Tom Connolly. Mount Pleasant also hosted six successful outside tournaments again this year, which provided much needed extra revenue.

Scot Campbell asked about possible scheduling changes, and George Emerson asked about adjusting the Senior Club Championship/Qualifying rounds – both will be reviewed for next year.

Sean Moriarty asked about additional play and pace of play on Wednesdays this year – this will also be reviewed.

Motion – By John Murphy, seconded by Gus Chapman to accept the report of the Tournament Committee. Vote unanimous. **Motion passed.**

REPORT OF THE COMMUNICATIONS CHAIRPERSON

Chairperson Andrea Dutille thanked the board for their support, and her committee consisting of Steve Finneral, Andy Crampton, Bob Archinski, Kristen Woods, and Tom Lamond. She also reviewed some improvements over the last year including additional web pages for the Greens Committee, adding promotional and marketing information to facilitate upstairs hall rentals, and increases in the email distribution list (with a current ‘open rate’ of 50% where the industry standard is 20%).

Motion - By Dan Emerson, seconded by Jack Silk to accept the report of the Communications Committee. Vote unanimous. **Motion passed.**

OLD BUSINESS

None

NEW BUSINESS:

None

REPORT OF THE NOMINATING COMMITTEE

Committee Chairperson Tony Coit thanked the committee – Paul Bouley, Mark Byrne, Jr., Scot Campbell, Gus Chapman, Dave Dowd, Sr., and Phil Dube - for their efforts and reported that the following were the selections of the Nominating Committee for the indicated offices, and are thereby nominated:

President – Chris Green
Vice-President – Jason Frediani
Secretary – Bob McLeod
Treasurer – Jay Heelon
Golf Course (Greens) Committee Chairperson – Gerry Foley
House Committee Chairperson – Donna McMahon
Golf (Tournament) Committee Chairperson – Phil Regan
Communications Chairperson – Andrea Dutile
Advisor – Dave Desmond

Also, the following member appeared before the Nominating Committee and, although not nominated by the Committee, would like his name on the ballot:

Advisor – Charlie Woods

And finally, the Committee reported that Jack Hassett has been nominated for Honorary Membership

Motion – By Mark Duffy, seconded by Pat Coit to accept the report of the Nominating Committee. Vote unanimous. **Motion passed.**

Motion – By John Johnson, seconded by Jay Heelon to nominate Charlie Woods for Advisor. Vote unanimous. **Motion passed.**

ELECTION OF THE BOARD OF DIRECTORS AND HONORARY MEMBER

Motion – By George Emerson, seconded by Dennis Upton that the Secretary cast one vote for all uncontested candidates. Vote unanimous. **Motion passed.**

Prior to the election Gerry Foley spoke on behalf and in support of Jack Hassett for Honorary Membership.

Motion by Jim Moriarty, seconded by Brendan Flynn to instead vote by acclamation (voice vote) on the election of Jack Hassett as an Honorary Member – A YEA vote is a

vote for acclimation, a NAY vote is a vote for ballot. All in favor? Opposed? Vote unanimous. **Motion passed.**

Motion by Jack Silk, seconded by John Johnson to elect Jack Hassett as an Honorary Member of Mount Pleasant. All in favor? Opposed? Vote unanimous. **Motion passed.**

The members of the Nominating Committee then conducted the voting, distributing ballots and tabulating the votes.

The results are as follows:

For Advisor	Dave Desmond – 81 votes
	Charlie Woods – 22 votes

The following have been elected to the 2017-2018 Board of Directors:

- President – Chris Green
- Vice-President – Jason Frediani
- Secretary – Bob McLeod
- Treasurer – Jay Heelon
- Greens Committee Chairperson – Gerry Foley
- House Committee Chairperson – Donna McMahon
- Tournament Committee Chairperson – Phil Regan
- Communications Chairperson – Andrea Dutile
- Advisor – Dave Desmond

Motion - By Tim Coit, seconded by Brendan Flynn to adjourn. Vote unanimous. **Motion passed.**

There being no further business, the meeting was adjourned by President Chris Green at 8:33 p.m.

Respectfully Submitted,

Bob McLeod,
Secretary

MOUNT PLEASANT GOLF CLUB

FINANCIAL STATEMENTS

FOR THE YEARS ENDED OCTOBER 31, 2017 and 2016



MOUNT PLEASANT GOLF CLUB

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SHANNON, CULLEN & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

26 North Road
Suite 5
Chelmsford, MA 01824

TEL 978.250.3777
TEL 978.251.0110
FAX 978.250.1210

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mount Pleasant Golf Club
99 Staples Street
Lowell, Massachusetts 01851

We have audited the accompanying financial statements of Mount Pleasant Golf Club (a non-profit Organization) which comprise the statement of financial position as of October 31, 2017 and 2016 and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mount Pleasant Golf Club as of October 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Schedule of Operating Expenses and Asset Acquisitions

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information presented in Schedules I and II is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Shannon, Cullen & Associates LLC

December 1, 2017



MOUNT PLEASANT GOLF CLUB

STATEMENT OF FINANCIAL POSITION

AT OCTOBER 31, 2017 and 2016

ASSETS

	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
Cash on Hand and in Banks	\$ 204,627	\$ 188,888
Accounts Receivable - Members (Net of Allowance for Doubtful Accounts of \$14,728 and \$16,258 at October 31, 2017 and 2016, respectively)	7,043	15,138
Inventory (Note 1)	21,723	24,067
Prepaid Expenses	<u>43,107</u>	<u>42,570</u>
Total Current Assets	<u>276,500</u>	<u>270,663</u>
<u>Fixed Assets</u> (Note 1)		
Land and Improvements	665,203	661,570
Building and Improvements	2,196,910	2,196,060
Furniture, Fixtures and Equipment	<u>1,306,773</u>	<u>1,262,490</u>
Total Cost of Fixed Assets	4,168,886	4,120,120
Less: Accumulated Depreciation	<u>(2,383,865)</u>	<u>(2,218,466)</u>
Net Fixed Assets	<u>1,785,021</u>	<u>1,901,654</u>
<u>Other Assets</u>		
Liquor License - At Nominal Value	1,000	1,000
Deposits	<u>616</u>	<u>624</u>
Total Other Assets	<u>1,616</u>	<u>1,624</u>
TOTAL ASSETS	<u>\$ 2,063,137</u>	<u>\$ 2,173,941</u>



MOUNT PLEASANT GOLF CLUBSTATEMENT OF FINANCIAL POSITIONAT OCTOBER 31, 2017 and 2016LIABILITIES AND UNRESTRICTED NET ASSETS

	<u>2017</u>	<u>2016</u>
<u>Current Liabilities</u>		
Demand Note Payable - Real Estate (Note 2)	\$ 392,918	\$ 504,754
Current Portion of Lease Payable (Note 8)	37,843	39,032
Accounts Payable	58,290	56,386
Accrued Expenses	38,464	38,485
Deferred Revenue - Fees, Food and Beverage	<u>19,568</u>	<u>11,984</u>
Total Current Liabilities	<u>547,083</u>	<u>650,641</u>
<u>Long-Term Liabilities</u>		
Bonds Payable	735	735
Lease Payable (Note 8)	<u>148,251</u>	<u>186,093</u>
Total Long-Term Liabilities	<u>148,986</u>	<u>186,828</u>
<u>Unrestricted Net Assets</u>	<u>1,367,068</u>	<u>1,336,472</u>
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$ <u>2,063,137</u>	\$ <u>2,173,941</u>

See Independent Auditors' Report and
Notes to Financial Statement

MOUNT PLEASANT GOLF CLUB

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED OCTOBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Unrestricted Revenue</u>		
Dues	\$ 807,480	\$ 796,685
Initiation Fees	32,000	34,500
Bar Receipts (Note 3)	505,805	494,126
Cart Rentals	110,094	119,761
Greens Fees	83,678	84,801
House Income and Hall Rental (Note 5)	<u>46,238</u>	<u>47,116</u>
Total Unrestricted Revenue	<u>1,585,295</u>	<u>1,576,989</u>
<u>Operating Expenses (Schedule I)</u>		
General & Administrative	287,100	293,642
Golf Course Expenses	488,646	437,855
House Expenses	606,318	591,582
Tournament Expenses	<u>153,534</u>	<u>176,633</u>
Total Operating Expenses	<u>1,535,598</u>	<u>1,499,712</u>
Income From Operations	<u>49,697</u>	<u>77,277</u>
<u>Other Income (Expense)</u>		
Interest Expense (Net)	(30,822)	(34,378)
Miscellaneous Income	<u>11,721</u>	<u>11,569</u>
Total Other Income (Expense)	<u>(19,101)</u>	<u>(22,809)</u>
Net Increase in Unrestricted Net Assets	30,596	54,468
UNRESTRICTED NET ASSETS - Beginning of Year	<u>1,336,472</u>	<u>1,282,004</u>
UNRESTRICTED NET ASSETS - End of Year	<u>\$ 1,367,068</u>	<u>\$ 1,336,472</u>

See Independent Auditors' Report and
Notes to Financial Statements



MOUNT PLEASANT GOLF CLUBSTATEMENT OF CASH FLOWSFOR THE YEARS ENDED OCTOBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Cash Flows From Operating Activities</u>		
Net Increase in Unrestricted Net Assets	\$ 30,596	\$ 54,468
Adjustments to Reconcile Increase in Unrestricted Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	165,399	169,180
Changes In:		
Accounts Receivable	8,095	(314)
Inventory	2,344	1,881
Prepaid Expenses	(537)	(820)
Other Assets	8	24
Accounts Payable	1,904	2,718
Accrued Expenses	(21)	1,065
Deferred Revenue	<u>7,584</u>	<u>(266)</u>
Net Cash From Operating Activities	<u>215,372</u>	<u>227,936</u>
<u>Cash Flows (Used By) Investing Activities</u>		
Permanent Assets Acquired:		
Land and Improvements	(3,633)	(10,617)
Buildings and Improvements	(850)	(34,617)
Furniture, Fixtures, and Equipment	<u>(44,283)</u>	<u>(88,229)</u>
Net Cash (Used By) Investing Activities	<u>(48,766)</u>	<u>(133,463)</u>
<u>Cash Flows (Used By) Financing Activities</u>		
Increase in Capital Leases	-	60,720
Repayment of Long-Term Borrowings	<u>(150,867)</u>	<u>(141,848)</u>
Net Cash (Used By) Financing Activities	<u>(150,867)</u>	<u>(81,128)</u>
Net Increase in Cash	15,739	13,345
Cash - Beginning of Year	<u>188,888</u>	<u>175,543</u>
CASH - END OF YEAR	<u>\$ 204,627</u>	<u>\$ 188,888</u>

See Independent Auditors' Report and
Notes to Financial Statements



MOUNT PLEASANT GOLF CLUB

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEARS ENDED OCTOBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
Interest Paid	\$ <u>31,742</u>	\$ <u>35,378</u>



See Independent Auditors' Report and
Notes to Financial Statements

MOUNT PLEASANT GOLF CLUB

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2017

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Mount Pleasant Golf Club (the Club) is a member-owned social club located in Lowell, Massachusetts, and was organized in 1910 as a membership organization to provide pleasure and recreation to its members and their guests. It was organized as a tax-exempt organization under Chapter 180 of the Massachusetts General Laws. The Club is exempt from income tax under Section 501(C)(7) of the Internal Revenue Code.

Revenue Recognition

Income and expenses are recorded on the accrual basis of accounting. Income is recorded as it is earned and expenses are recorded as they are incurred.

Inventory

Inventory is valued at cost with quantities calculated using the first-in, first-out method.

Fixed Assets

Fixed assets are stated at cost. Major renewals and betterments are capitalized while replacements, maintenance, and repairs which do not improve or extend the life of an asset are expensed. Depreciation expense is recorded using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the years ended October 31, 2017 and 2016 was \$165,399 and \$169,180, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributed Services

Many Club members have contributed significant amounts of time to the Club's activities. The financial statements do not reflect the value of these services because they do not meet the recognition criteria of Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made*.



MOUNT PLEASANT GOLF CLUB

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2017

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Club considers all short-term investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is estimated and recorded based on management's judgement.

Financial Statement Presentation

The Club has adopted Statements of Financial Accounting Standards No. 116, *Accounting for Contributions Received & Contributions Made*, and No. 117, *Financial Statements for Not-For-Profit Organizations*. As a result, the Club changed the format of its financial statements. The adoption of these pronouncements had no effect on net assets (previously described as members' equity.)



MOUNT PLEASANT GOLF CLUB

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2017

Note 2 - DEMAND NOTE PAYABLE - REAL ESTATE

The demand note payable to Enterprise Bank bears interest at 2% over the Federal Home Loan Bank Board Classic Credit five year rate. This rate is 4.88% at October 31, 2017. The note is payable on demand. At October 31, 2017 and 2016 the note had an outstanding balance of \$392,918 and \$504,754, respectively.

The following is a schedule of minimum mortgage principal payments:

<u>Year</u>	<u>Amount</u>
2018	\$83,600
2019	\$87,800
2020	\$92,500
2021	\$97,800
Thereafter	\$31,300

Note 3 - BAR OPERATIONS

Gross profit on bar merchandise for the years ended October 31, 2017 and 2016 was as follows:

	<u>2017</u>	<u>2016</u>
Income - Bar Receipts	\$ 505,805	\$ 494,126
Less: Cost of Bar Merchandise	<u>161,233</u>	<u>165,168</u>
Gross Profit	\$ <u>344,572</u>	\$ <u>328,958</u>
Gross Profit Percentage	<u>68%</u>	<u>67%</u>

Note 4 - FEDERAL INCOME TAXES

Under the provisions of the Internal Revenue Code, Social Clubs, including Mount Pleasant Golf Club, are taxable on net income from any business not related to their exempt purpose (Unrelated Business Income). The federal income tax on Mount Pleasant Golf Club's Unrelated Business Taxable Income is recorded as expense in the year paid. For the year ended October 31, 2016 the Club was liable for federal income tax of \$2,302.



MOUNT PLEASANT GOLF CLUB

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2017

Note 5 - HOUSE INCOME AND HALL RENTAL

Gross profit on House Income and Hall Rentals for the years ended October 31, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Income - House Events & Functions	\$ 46,238	\$ 47,116
Less: Function package and Event Costs	<u>10,765</u>	<u>13,387</u>
Gross Profit	<u>\$ 35,473</u>	<u>\$ 33,729</u>
 Gross Profit Percentage	 <u>77%</u>	 <u>72%</u>

Note 6 - EMPLOYEE RETIREMENT PLAN

The Club maintained a SIMPLE IRA Retirement Plan for eligible Employees. The Club matches up to 3% of eligible compensation for each employee. During the years ended October 31, 2017 and 2016 the Club's contribution amounted to \$10,730 and \$16,140, respectively.

Note 7 - RELATED PARTY

The Club transacted business with firms in which certain Club members have a financial interest. The aggregate amount of such business approximated \$22,000 and \$24,000 for the years ended October 31, 2017 and 2016, respectively.

The Club maintains bank accounts with institutions in which certain Club members are officers. The aggregate amount of such balances approximated \$205,000 and \$189,000 as of October 31, 2017 and 2016, respectively.

The Demand Note footnote, as described in Note 2, is also with a lending institution in which certain Club members are officers.



MOUNT PLEASANT GOLF CLUB

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2017

Note 8 - CAPITAL LEASES

The Club has entered into a non-cancelable capital lease for 30 Club Car golf carts and 10 used Club Car golf carts that will expire in 2021. The asset and liability are recorded at the present value of the minimum lease payments. The assets are being depreciated over 5 years.

The Club entered into a capital lease for a Toro Propass Mower that expired in 2017. The asset and liability were recorded at the present value of the future minimum lease payments. The assets are being depreciated over 7 years.

The Club has entered into a capital lease for a Toro Reelmaster Mower that will expire in 2021. The asset and liability are recorded at the present value of the minimum lease payments. The assets are being depreciated over 7 years.

The following is a schedule by year of future minimum lease payments required:

<u>Year ended October 31,</u>	<u>Amount</u>
2018	\$ 37,843
2019	39,813
2020	41,888
2021	39,550
2022	<u>27,000</u>
Total	<u>\$ 186,094</u>

Note 9 - SUBSEQUENT EVENTS

FASB ASC 855-10 *Subsequent Events* defines further disclosure requirements for events that occur after the balance sheet date but before financial statements are issued. In accordance with FASB ASC 855-10, the Organization's management has evaluated events subsequent from October 31, 2017 to December 1, 2017, which is the issuance date of this report. There have been no material events noted during this period that would either impact the results reflected in this report or results going forward.



SUPPLEMENTARY INFORMATION



MOUNT PLEASANT GOLF CLUB

SCHEDULE OF OPERATING EXPENSES

FOR THE YEARS ENDED OCTOBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>General and Administrative Expenses</u>		
Insurance	\$ 25,677	\$ 34,246
Payroll Taxes	8,483	7,117
Bad Debt Expense	15,000	15,000
Contributions	1,150	1,654
Miscellaneous Expense	17,164	15,413
Office Expense	30,769	32,218
Professional Fees	16,700	16,650
Taxes - Real Estate	58,144	60,050
Telephone	263	762
Utilities	60,187	67,887
Meeting Expense	14,655	5,192
Depreciation	7,500	6,530
Laundry Expense	4,922	5,236
Liquor License	2,000	2,000
Taxes - Sales/Use/Other	18,424	14,702
Water	6,062	8,985
Total General and Administrative Expenses	<u>\$ 287,100</u>	<u>\$ 293,642</u>
<u>Golf Course Expenses</u>		
Salaries and Wages	\$ 228,291	\$ 194,081
Payroll Taxes	17,334	15,302
Course Maintenance & Supplies	84,718	71,810
Depreciation	89,683	95,357
Retirement Fund	3,970	9,250
Equipment Repairs & Maintenance	12,785	11,285
Employee Benefits	42,015	33,400
Workman's Compensation Insurance	7,257	5,364
Golf Cart Expense	2,000	1,400
Miscellaneous Expense	593	606
Total Golf Course Expenses	<u>\$ 488,646</u>	<u>\$ 437,855</u>
<u>House Expenses</u>		
Salaries and Wages	\$ 219,134	\$ 207,941
Payroll Taxes	16,324	15,994
Depreciation	68,216	67,293
Retirement Fund	6,760	6,890
Employee Benefits	39,512	38,297
Workman's Compensation Insurance	2,116	1,788
House Maintenance & Supplies	82,258	74,824
Bar Merchandise	161,233	165,168
Function Package & House Event Expenses	10,765	13,387
Total House Expenses	<u>\$ 606,318</u>	<u>\$ 591,582</u>



MOUNT PLEASANT GOLF CLUB

SCHEDULE OF OPERATING EXPENSES

FOR THE YEARS ENDED OCTOBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Tournament Expenses</u>		
Salaries and Wages	\$ 109,181	\$ 127,431
Payroll Taxes	8,944	10,208
Trophys & Awards	2,325	1,510
Travel & Tournaments	6,132	4,967
Miscellaneous Expense	10,296	9,921
Employee Benefits	<u>16,656</u>	<u>22,596</u>
Total Tournament Expenses	<u>\$ 153,534</u>	<u>\$ 176,633</u>



MOUNT PLEASANT GOLF CLUBSCHEDULE OF ASSET ACQUISITIONSFOR THE YEAR ENDED OCTOBER 31, 2017Furniture, Fixtures, Equipment and Improvements

Course - Two Utility Vehicles	\$	20,825
Pump House		3,200
Ground Management Software		2,095
Laptop for Garage		1,145
Irrigation Repair		<u>433</u>

\$ 27,698

House - Stove and Refrigerator	\$	7,550
Deck Furniture		3,763
Refrigerator		2,222
POS Terminal		1,904
Clubhouse Furniture		1,748
Outdoor Bistro Set		1,378
New Computer		1,015
Aluminum Gutter with Guard		850
Solar Shades		<u>638</u>

\$ 21,068

Total New Acquisitions \$ 48,766

