

# MOUNT PLEASANT GOLF CLUB

141 Staples Street  
Lowell, Massachusetts 01851

Established 1910

(978) 452-8228

## MINUTES OF ONE-HUNDRED & TENTH ANNUAL MEETING

December 2, 2021 at 7:00 p.m.

A quorum being present Vice President Andrea Dutile called the meeting to order at 7:08 p.m. with seven (7) board members present, and Jason Frediani and Pat Donovan unable to attend.

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

Dave Desmond thanked all members who have contributed to the ongoing welfare of the club, and recognized past presidents and honorary members in attendance.

### APPROVAL OF THE MINUTES OF THE 2019 ANNUAL MEETING

**Motion** – By George Emerson, seconded by Lyndon Johnson to waive the reading, and approve the minutes of the 2019 Annual Meeting (Note: there was no 2020 annual meeting due to COVID). Vote unanimous. **Motion passed.**

### REPORT OF THE FINANCE REVIEW COMMITTEE

On behalf of Finance Review Committee Chairperson Michael King, John Bukala thanked other committee members Jay Dinneen and Dan Moynihan, and thanked Sean Moriarty and Brian Campbell for their efforts in dealing with all the challenges presented by COVID. John recounted how they met not just to review financial statements but also share ideas, opinions, and options; they were very pleased with steps taken throughout the year and the end results; they were particularly impressed with Brian's efforts in reducing Accounts Receivables and recovering outstanding payments.

**Motion** – By Jeff Hardy, seconded by John Johnson to accept the report of the Finance Review Committee. Vote unanimous. **Motion passed.**

### REPORT OF THE TREASURER

Treasurer Sean Moriarty thanked the board, Brian Campbell, Sean Tully, and the Finance Review Committee for their support throughout the year; he pointed out the significantly improved cash position this year thanks in large part to PPP and Payroll Tax Credit Programs, to record setting carts and greens fee revenues, and to administrative efforts such as reducing Accounts Receivables from \$81K last year to \$13K this year; increased expenses for course, house/bar, and tournaments are a direct result of increased play and participation. Also of note, the dramatic decrease in upstairs hall revenue has disrupted our margin schedule, forcing a review of bar pricing this coming spring.

The recently approved 2022 budget contains a modest 1% increase in dues and no assessment, meaning the total cost of membership will actually be less than last year.

**Motion** - By Andrew McCabe, seconded by Dave Casey, to accept the report of the Treasurer. Vote unanimous. **Motion passed.**



## **REPORT OF THE GOLF COURSE (GREENS) CHAIRPERSON**

Chairperson Ray Costello thanked his committee, the board of directors, especially outgoing directors Andrea Dutile, Dave Desmond, and Jason Frediani for their support, Chuck, Chris, Ray and crew for their hard work and efforts, the 50+ volunteers at the spring clean-up, and the membership as a whole for their support. Ray also highlighted major improvements over the last two years, including rebuilt bunkers on # 1, extensive tree removals, two new bridges (with thanks to the Scannells), re-edging of bunkers, and the current work on # 4 and # 9 tee boxes.

**Motion** - By Mark Duffy, seconded by Chris Green to accept the report of the Golf Course Committee. Vote unanimous. **Motion passed.**

## **REPORT OF THE HOUSE CHAIRPERSON**

Chairperson Donna McMahon reviewed some the recent physical improvements including replacement shutters, new awnings, and the new patio furniture currently on order; she also outlined examples of recent events such as the Festival of Trees, multiple Christmas fundraisers, and the blood drive, Donna went on to thank the house committee, Sean Tully, Pat Donovan and the Communications Committee for all the email blasts and web postings, and the board of directors, especially outgoing members Andrea Dutile, Dave Desmond, and Jason Frediani.

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

## **REPORT OF THE GOLF TOURNAMENT CHAIRPERSON**

Chairperson Brian Gleason thanked his committee, the Handicap Committee and Chair Dave Mungovan, the Pro Shop staff (especially Joel and Chris) for their efforts during the past year, City Tournament Rep Rick Gillis, Senior City Tournament Rep Victor Kiloski, Ladies Division Tournament Chair Diane Murphy, and all those that contributed to managing the two leagues. In retrospect it was a very successful season – a few examples are a reformatted Green Tree Open to start the season, the Member/Member set a record with 44 teams, the Member/Guest is a perennial favorite, Mount Pleasant scored another Vaughan Cup win, and the Tenth Annual Veteran's Day Tournament was the largest ever (thank you to Norma and Garry Murphy). On the down side the weather presented numerous challenges, costing us several two league nights and Friday Member/Guests. Finally, Brian thanked the board and the membership as a whole for their continued support.

**Motion** - By Andrew McCabe, seconded by Charlie Woods to accept the report of the Tournament Committee. Vote unanimous. **Motion passed.**

## **REPORT OF THE COMMUNICATIONS CHAIRPERSON**

Chairperson Pat Donovan submitted his report outlining that email blasts continue as warranted to over 710 subscribers, with the Pro Shop sending out their own, separate notices; the web site is being updated regularly; and the Twitter account is ramping up

**Motion** – By Bob Wilson, seconded by Rich Wynkoop to accept the report of the Communications Committee. Vote unanimous. **Motion passed.**

## **OLD BUSINESS**

None

## **NEW BUSINESS:**

Outgoing President Jason Frediani submitted a statement (attached).

Outgoing Director Andrea Dutile took the opportunity to thank the membership and past and present board members for their support over the last five years.

## **REPORT OF THE NOMINATING COMMITTEE –**

Chairperson Lyndon Johnson thanked the committee for their efforts, thanked the board for its hard work and support, and reported that the following were the selections of the Nominating Committee for the indicated offices, and are thereby nominated:

President – Donna McMahon  
Vice-President – Pat Donovan  
Secretary – Bob McLeod  
Treasurer – Sean Moriarty  
Golf Course (Greens) Committee Chairperson – Ray Costello  
House Committee Chairperson – Shaun McCarty  
Golf (Tournament) Committee Chairperson – Brian Gleason  
Communications Chairperson – Sean Casey  
Advisor – John Goscila

Although not nominated by the committee, Chris Green would like his name on the ballot for Secretary, subject to being nominated from the floor.

**Motion** – By George Emerson, seconded by Jim Moriarty, to accept the report of the Nominating Committee. Vote unanimous. **Motion passed.**

## **ELECTION OF THE BOARD OF DIRECTORS**

**Motion** - By Dan Emerson, seconded by Andrew McCabe that the Secretary cast one vote for all uncontested candidates. Vote unanimous. **Motion passed.**

The (8) uncontested candidates are hereby elected.

**Motion** - By Andrew McCabe, seconded by Charlie Woods that Chris Green be nominated for Secretary. Vote unanimous. **Motion passed.**

## **VOTING**

The election by paper ballot for the one contested seat of Secretary commenced at 7:57 p.m. After all present had an opportunity to vote, last call was issued at 8:15 p.m., and the voting halted shortly thereafter.

## **RESULTS**

The results for Secretary are as follows:

Bob McLeod = 95

Chris Green = 30

The following have been elected to the 2021-2022 Board of Directors:

President – Donna McMahon  
Vice-President – Pat Donovan  
Secretary – Bob McLeod  
Treasurer – Sean Moriarty  
Greens Committee Chairperson – Ray Costello  
House Committee Chairperson – Shaun McCarty  
Tournament Committee Chairperson – Brian Gleason  
Communications Chairperson – Sean Casey  
Advisor – John Goscila

**Motion** – By Dave Mungovan, seconded by Lyndon Johnson, to adjourn. Vote unanimous. **Motion passed.**

There being no further business, the meeting was adjourned at 8:34 p.m.

Respectfully Submitted,

Bob McLeod,  
Secretary



## Fwd: Annual

To Sean Tully <mpgc@comcast.net>

A letter from your president Jay Frediani

To my fellow Mt Pleasant members ,

Let me start off by apologizing for my absence, for those of you who don't know my son Max is playing in the Division 1 state championship game for Central Catholic at Gillette stadium tonight. Due to scheduling conflicts a game that would normally be played on a Saturday was instead moved to mid week. After a week of deliberation on what I should do and in talking to my family as well as other board members I made the difficult decision to attend the game. My hope is that all of you will understand and respect my decision.

Welcome to the 2021 annual meeting, tonight we gather as a membership for the first annual meeting in two years, too think how our world has changed since I first stood at this podium in 2019. I remember the first couple meetings with my board in the "office" upstairs, stumbling thru motions and forgetting procedures trying to gather respect from the room. In my opinion I was quite unimpressive, but I knew I had a fantastic board, one mixed with an experienced past and a younger passion that would work together in moving Mt Pleasant forward in a direction we felt it needs to go.

Our bottom line was good, we had over 45 new member interviews and were excited to reap the benefits of our newly installed sprinkler system

We had a lot of great ideas!!

As we all know in March of 2020, Mt Pleasant, the country, the world for that matter was abruptly shutdown These were scary times, filled with uncertainty and unknowns. An emergency meeting was planned, we would now be meeting on the patio outside, the first of its kind I've been told, I remember how nervous we all were, keeping 10 ft apart wearing winter coats and hats yelling at each other on a windy patio. We would meet there several times over the next couple weeks, to be honest all of our decisions had been made by the government, there would be no golf or Mt. pleasant for the foreseeable future, we layer off non essential employees, scraped our capital budget and waited for the world to open up again.

When we did reopen almost 2 months later in May it would be under a new set of circumstances, the clubhouse was closed which meant no food or alcohol, mandatory tee times 15 minutes apart, one person per cart, only 4 players allowed on the putting green, wait in your car till the group clears the tee, don't touch the flagstick, maintain social distance, no gathering on the patio.. all of these rules being implemented by a volunteer board who never signed up for this..

I remember getting a phone call from Donna McMahon, she said she received a phone call and that a "members" party had broken out on the 4th green, and what we should do about it.. I said Donna .. I'll handle it.. I didn't have the heart to tell her I was in attendance!!

Eventually we opened up the clubhouse, but again-we were held to restrictions, maximum 25 people, no alcohol without food, cheese plates, steamed hot dogs, plastic barriers at the bar, Sean setting up alleys to the bathrooms, daily sign in sheets for close contact, no cards , no steam, ever-changing COVID guidelines, positive cases, all under a watchful membership. Thru it all I'd say we had over 40 meetings that year, and honestly they weren't all positive, differing opinions of COVID, who's not wearing masks, budget worries, assessments, Golf Genius, phone calls from the city, It was an incredibly stressful period, the fact this board is still on speaking terms and that they all came back the following year speaks to the quality of individuals they are and the love they have for this membership

As 2020 came to a close and if we include all of 2021 ..it's important too point out.. without the outstanding support of this membership we would not be where we are today.

U came back.. and you came back big time !!

The amount of golf played in the last two years is record setting!! Most if not all of our tournaments were sold out.. The support at the bar has been amazing, our social events, trivia , Friday dinners, cribbage



leagues, 45.'s all the little things that mean so much to this club were supported and I can thank you enough

As far as my goals.. what started out as " I'm gonna change things" quickly turned to "I'm going to maintain things " and with the help and support of my board and all of you I think I achieved that

Tonight we will elect our first women president, Donna McMahon

This speaks volumes as to where we stand as a membership, Donna is a hardworking intelligent woman who cares deeply for Mt Pleasant, I know she will work hard to move Mt Pleasant forward. I'm proud to hand the reigns over to her.

To my Vice President Andrea Dutille

You and I came onto the board together five years ago, over that time we have had alot of meetings, made decisions and a few laughs along the way. You brought well thought out/ honest opinions to our meetings, always with Mt Pleasants best interest in mind, thank you for the time you've invested into this membership, it has not gone unnoticed.

To my advisor Dave Desmond,

Thank you for all you have done for me, this board and this membership, taking on projects and providing words of stability when needed was always perfectly timed..

To the rest of the board staying on, I thank you for all you have done, the time spent away from families cause " Jay called a meeting" excuse will no longer work!! But seriously I wish nothing but the best going forward

In closing

I believe I'm leaving the board in a little better place than when I arrived, I believe we are headed in the right direction. Are we perfect? No..Are there things we need to address? Yes, but I'm proud to say we as a Club made it through these difficult times and believe there are brighter days ahead.

Thank you ..And have a wonderful evening

Jay Frediani

2020-2021

Sent from my iPhone

**Mt. Pleasant Golf Club**

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**Audited Financial Statements**  
**Years Ended October 31, 2021 and 2020**

# Mt. Pleasant Golf Club

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## **Independent Auditors' Report**

To the Board of Directors  
Mt. Pleasant Golf Club  
Lowell, Massachusetts 01851

We have audited the accompanying financial statements of Mt. Pleasant Golf Club, (a Massachusetts nonprofit organization) which comprise the statements of financial position as of October 31, 2021 and 2020, and the related statements of activities and net assets, functional expenses, 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 the 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 auditor's judgement, 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 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 Mt. Pleasant Golf Club as of October 31, 2021 and 2020, and the changes in its net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

STAFFORD, GAUDET & ASSOCIATES, LLC  
Chelmsford, MA  
December 2, 2021



# Mt. Pleasant Golf Club

## Statements of Financial Position

<i>October 31,</i>	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents		
Unrestricted	\$ 216,563	\$ 84,956
Board restricted	314,189	-
Accounts receivable, net	13,643	81,534
Inventory	18,203	23,192
Prepaid expenses	24,440	34,750
Other current assets	39,500	49,429
<b>Total Current Assets</b>	<b>626,538</b>	<b>273,861</b>
<b>Property and Equipment</b>		
Building and improvements	2,206,233	2,183,814
Land and improvements	1,348,740	1,314,140
Furniture, fixtures, and equipment	1,235,441	1,239,265
	4,790,414	4,737,219
Less accumulated depreciation	( 2,548,644 )	( 2,605,483 )
<b>Net Property and Equipment</b>	<b>2,241,770</b>	<b>2,131,736</b>
<b>Total Assets</b>	<b>\$ 2,868,308</b>	<b>\$ 2,405,597</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 69,882	\$ 43,395
Accrued expenses	46,980	34,703
Deferred revenue	124,492	38,486
Current portion of leases payable	66,001	52,893
Current portion of notes payable	40,667	45,233
<b>Total Current Liabilities</b>	<b>348,022</b>	<b>214,710</b>
<b>Long-term Liabilities</b>		
Leases payable	184,577	51,719
Notes payable	669,463	710,130
<b>Total Long-term Liabilities</b>	<b>854,040</b>	<b>761,849</b>
<b>Net Assets</b>		
Without donor restrictions	1,666,246	1,429,038
<b>Total Net Assets</b>	<b>1,666,246</b>	<b>1,429,038</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,868,308</b>	<b>\$ 2,405,597</b>

See accompanying notes and independent auditors' report.

# Mt. Pleasant Golf Club

## Statements of Activities and Net Assets

<i>Years Ended October 31,</i>	2021	2020
<b>Net Assets Without Donor Restrictions</b>		
<b>Revenue</b>		
Dues	\$ 987,045	\$ 949,045
Initiation fees	49,000	35,000
Bar receipts	472,874	385,046
Cart rentals	135,859	109,373
Greens fees	95,086	60,503
House income and hall rental	17,653	9,037
Miscellaneous	14,202	7,819
Total Revenue	1,771,719	1,555,823
<b>Functional Expenses</b>		
Golf course expenses	459,257	448,207
House expenses	512,442	469,235
Tournament expenses	217,288	177,993
General and administrative	294,509	316,256
Total Functional Expenses	1,483,496	1,411,691
Income From Operations	288,223	144,132
<b>Other Income</b>		
Payroll protection program loan forgiveness	123,605	-
Employee retention credit	43,129	48,742
Total Other Income	166,734	48,742
<b>Other Expense</b>		
Depreciation	182,391	177,946
Interest expense, net	35,358	38,700
Loss on disposal of property and equipment	-	13,070
Total Other Expense	217,749	229,716
<b>Change in Net Assets Without Donor Restrictions</b>	<b>237,208</b>	<b>( 36,842 )</b>
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	<b>1,429,038</b>	<b>1,465,880</b>
<b>Net Assets Without Donor Restrictions, End of Year</b>	<b>\$ 1,666,246</b>	<b>\$ 1,429,038</b>

*See accompanying notes and independent auditors' report.*



# Mt. Pleasant Golf Club

## Statements of Functional Expenses

<i>Years Ended October 31,</i>	<b>Golf Course Expenses</b>	<b>2021</b>	<b>2020</b>
Salaries and wages	\$	267,747	\$ 249,204
Repairs, maintenance, supplies		140,051	152,935
Payroll taxes		26,979	24,914
Employee benefits		23,337	20,255
Miscellaneous		1,143	899
<b>Total Golf Course Expenses</b>	<b>\$</b>	<b>459,257</b>	<b>\$ 448,207</b>
<b>House Expenses</b>			
Salaries and wages	\$	191,128	\$ 191,524
Bar merchandise		176,966	131,043
Employee benefits		60,048	51,015
Repairs, maintenance, supplies		57,094	66,019
Payroll taxes		21,036	18,685
Function package and house event		2,532	2,466
Laundry		1,111	1,811
Liquor license		1,000	2,000
Miscellaneous		844	3,541
Meeting expense		683	1,131
<b>Total House Expenses</b>	<b>\$</b>	<b>512,442</b>	<b>\$ 469,235</b>
<b>Tournament Expenses</b>			
Salaries and wages	\$	156,799	\$ 130,704
Employee benefits		20,581	17,438
Payroll taxes		19,263	12,140
Miscellaneous		10,728	9,327
Member tournaments		5,178	1,312
Meeting expense		2,653	626
Professional expense		1,061	2,794
Awards and printing		1,025	2,235
Golf cart		-	1,417
<b>Total Tournament Expenses</b>	<b>\$</b>	<b>217,288</b>	<b>\$ 177,993</b>

See accompanying notes and independent auditors' report.

# Mt. Pleasant Golf Club

## Statements of Functional Expenses

<i>Years Ended October 31,</i>	<b>General and Administrative</b>	<b>2021</b>	<b>2020</b>
Electricity, gas, water	\$	66,559	\$ 60,488
Real estate taxes		59,864	59,943
Insurance		39,288	44,339
Professional fees		34,175	49,300
Office expense		28,114	30,430
Bad debt expense		21,511	33,602
Telecommunications		16,789	14,424
Credit card fees		10,842	6,967
Board of directors expense		8,822	7,465
Sales, use, other taxes		7,112	8,444
Miscellaneous		1,433	854
<b>Total General and Administrative Expenses</b>	<b>\$</b>	<b>294,509</b>	<b>\$ 316,256</b>

*See accompanying notes and independent auditors' report.*



# Mt. Pleasant Golf Club

## Statements of Cash Flows

<i>Years Ended October 31,</i>	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 237,208	\$ (36,842)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	182,391	177,946
Forgiveness of payroll protection program loan	(123,605)	-
Bad debt expense	21,511	33,602
Loss on disposal of property and equipment	-	13,070
(Increase) decrease in assets:		
Accounts receivable	46,380	(51,639)
Inventory	4,989	2,721
Prepaid expenses	10,310	24,573
Other current assets	9,929	226,802
Increase (decrease) in liabilities:		
Accounts payable	26,487	(24,570)
Accounts payable - irrigation project	-	(241,523)
Accrued expenses	12,277	8,593
Deferred revenue	86,006	13,084
<b>Net Cash Provided by Operating Activities</b>	<b>513,883</b>	<b>145,817</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(66,651)	(656,547)
<b>Net Cash Used by Investing Activities</b>	<b>(66,651)</b>	<b>(656,547)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from notes payable	123,605	620,000
Principal paid on notes payable	(45,233)	(60,888)
Payments on capital leases	(79,808)	(54,600)
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>(1,436)</b>	<b>504,512</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>445,796</b>	<b>(6,218)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>84,956</b>	<b>91,174</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 530,752</b>	<b>\$ 84,956</b>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid during the year for interest	\$ 36,015	\$ 38,953
Non-cash investing and financing transaction:		
New capital lease obligations on equipment	\$ 278,112	\$ -

*See accompanying notes and independent auditors' report.*

Mt. Pleasant Golf Club  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2021 and 2020

**NOTE A – ORGANIZATION AND PURPOSE**

Mt. 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.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Adoption of New Accounting Standards**

The Club has adopted the following: ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force.* and ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* as amended. Analysis of various provisions of these standards resulted in no significant changes in the way the Club recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis as a result of the adoption of these standards. The presentation and disclosures of revenue have been enhanced in accordance with the standards.

**Basis of Accounting**

The Club maintains its accounting records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation incurred.

**Basis of Presentation**

The Club reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

The Club’s net assets are without donor restrictions and are available to support operations. The only limits on the use of these net assets, if any, are internal board restrictions. For the year ended October 31, 2021 there were board restricted funds totaling \$314,189. These funds have been set aside by the Board for uses outside of normal operations. The funds were sourced from a PPP Loan, 123,605; Employee Retention Tax Credits, \$91,871; prepaid funds for use of an easement from National Grid, \$84,713; and excess initiation fees collected in 2021, \$14,000. There were no board restricted funds for the year ended October 31, 2020.



Mt. Pleasant Golf Club  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2021 and 2020

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash, Cash Equivalents, and Concentration of Credit Risk**

The Club considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Club maintains all of its cash balances at one financial institution and the balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. While cash balances may, at times, exceed federally insured limits, the Club believes it is not exposed to any significant credit risk with respect to cash and has not experienced any losses in such accounts.

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment. Balances that are still outstanding after reasonable collection efforts are written off. The allowance for doubtful accounts for the years ended October 31, 2021 and 2020 was \$2,530 and \$15,000, respectively.

**Inventory**

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

**Property and Equipment**

Purchased property and equipment, including significant renewals and betterments, are capitalized at cost. Donated assets are capitalized at estimated fair market value on the date donated. The capitalization policy is to capitalize property and equipment exceeding \$2,500. Depreciation expense is recorded using the straight-line method over the estimated useful lives of the assets. The recovery period of these assets is 5 to 40 years. Maintenance and repair costs are expensed as incurred. Gains and losses on sales or disposals are reflected in income. Depreciation expense for the years ended October 31, 2021 and 2020 was \$182,391 and \$177,946, respectively.

**Revenue Recognition**

Revenue is derived primarily from member dues and is recognized on the accrual basis of accounting. Other sources of revenue include income from bar sales and function hall rental. Revenues are recognized when control of these products or services are transferred to their customers, in the amount that reflects the consideration the Club expects to be entitled to in exchange for those products and services. Revenue collected for future periods is reported as deferred revenue. Deferred revenue was \$124,492 and \$38,486 for the years ended October 31, 2021 and 2020, respectively. Included within the current year's deferred revenue is \$84,713 of prepaid funds from National Grid for the future use of an easement on the Club's property.



Mt. Pleasant Golf Club  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2021 and 2020

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Donated Services**

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services totaled \$0 and \$5,090 for the years ended October 31, 2021 and 2020, respectively.

**Functional Allocation of Expenses**

The costs of providing programs and other activities of the Club have been summarized on a functional basis in the statement of activities and net assets, and statements of functional expenses. Certain costs have been allocated among the programs and supporting services.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Compensated Absences**

Employees of the Club are entitled to paid vacation, depending on length of service. Management has determined that such amounts are not material to the financial position of the Club and, therefore, there is no provision in these financial statements.

**Income Taxes**

Under the provisions of the Internal Revenue Code, Social Clubs, including Mt. Pleasant Golf Club, are taxable on net income from any business not related to their exempt purpose (Unrelated Business Taxable Income, or UBTI). For the years ended October 31, 2021 and 2020 the Club's federal income tax was \$0 and \$600, respectively. The Club's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing of these returns.

**Reclassifications**

Certain amounts in the prior year have been reclassified for comparative purposes to conform with the current year presentation.

Mt. Pleasant Golf Club  
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**NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Club’s primary source of revenue is from member dues. All net assets without donor restrictions are available for the purpose of supporting the Club’s budget. The Club monitors its liquidity so it is able to meet its operating needs and other contractual commitments.

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise of the following as of October 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$530,752	\$ 84,956
Accounts receivable, net	<u>13,643</u>	<u>81,534</u>
	<u>\$544,395</u>	<u>\$166,490</u>

Assets with board restrictions can become unrestricted by a vote from the Board. In addition to financial assets available, the Club anticipates collecting in excess of \$900,000 of dues during the subsequent fiscal year.

**NOTE D – OTHER CURRENT ASSETS**

Other current assets were comprised of the following for the years ended October 31:

	<u>2021</u>	<u>2020</u>
Deposit on new furniture	\$ 38,500	\$ 0
Employee retention credit receivable	0	48,429
Liquor license – nominal value	<u>1,000</u>	<u>1,000</u>
Total Other Current Assets	<u>\$ 39,500</u>	<u>\$ 49,429</u>

The Club applied for, in both fiscal years, Employee Retention Credits (to offset payroll tax liabilities) from the Internal Revenue Service for relief from the coronavirus pandemic (see Other Income on the Statements of Activities and Net Assets). The Club received both credits, totaling \$91,871, in the year ended October 31, 2021.



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**NOTE E – NOTES PAYABLE**

The note payable to Enterprise Bank bears interest at 2% over the Federal Home Loan Bank Board Classic Credit five-year rate. This rate was 4.49% and 4.49% at October 31, 2021 and 2020, respectively. The note is payable on demand and is collateralized by the real estate of the Club. At October 31, 2021 and 2020 the note had an outstanding balance of \$710,130 and \$755,363, respectively. The following is a schedule of estimated minimum principal payments:

<u>Year ended October 31,</u>	<u>Amount</u>
2022	\$ 40,667
2023	42,531
2024	44,480
2025	46,520
2026	48,651
Thereafter	<u>487,281</u>
	<u>\$710,130</u>

**NOTE F – PAYROLL PROTECTION PROGRAM LOAN**

In the year ended October 31, 2021 the Club received an unsecured loan in the amount of \$123,605 from the Small Business Administration (SBA) as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) Payroll Protection Program (PPP).

Under the terms of the note, loan payments are deferred until the Club receives notification from the SBA as to the amount of the loan forgiven. Thereafter, monthly payments are due, including interest at one percent per annum, which approximates the effective interest rate.

In the year ended October 31, 2021 the Club received notification from the SBA that the entire loan balance of \$123,605 has been forgiven. On the forgiveness date, the Club removed the loan balance and recorded in other income on its Statement of Activities and Net Assets a gain on payroll protection loan forgiveness in the amount of \$123,605.

**NOTE G – RELATED PARTY**

The Club transacted business with firms in which certain Club members have a financial interest.

The Club maintains bank accounts with institutions in which certain Club members are officers.

The Note Payable, as described in Note E, is also with a lending institution in which certain Club members are officers.



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**NOTE H – CAPITAL LEASES**

The Club entered into a new capital lease for 40 Club Car golf carts during the year ended October 31, 2021. The lease agreement calls for seasonal monthly lease payments, in the months of May through October, of \$5,760 until the lease expires in 2026. An asset and liability were recorded at the total value of these future minimum lease payments. The assets are being depreciated over 5 years.

The Club entered into a new capital lease for a Toro GM4300D Rough Mower during the year ended October 31, 2021. The lease agreement calls for seasonal monthly lease payments, in the months of May through October, of \$2,948 until the lease expires in 2024. An asset and liability were recorded at the total value of these future minimum lease payments. The asset is being depreciated over 7 years.

The Club has an existing capital lease for 2 Toro GM1320 Mowers. The lease agreement calls for monthly lease payments of \$1,254 until the lease expires in 2023. An asset and liability were recorded at the total value of future minimum lease payments when the lease agreement was initiated. The asset is being depreciated over 7 years.

During the year ended October 31, 2021 the Club had three existing capital leases either come to an end of their term or get rolled into new capital leases. There were differences between the remaining undepreciated value of the asset and the unpaid balance of the remaining future minimum lease payments. This difference was accounted for by reducing the value of the assets recorded for the new capital leases and will be realized in depreciation expense in future periods.

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

<u>Year ended October 31,</u>	<u>Amount</u>
2022	\$ 66,001
2023	63,209
2024	52,248
2025	34,560
2026	<u>34,560</u>
	<u>\$250,578</u>

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**NOTE I – BAR OPERATIONS**

Gross profit on bar merchandise for the years ended October 31, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Income – Bar Receipts	\$472,874	\$385,046
Less: Cost of Bar Merchandise	<u>176,966</u>	<u>131,043</u>
Gross Profit	<u>\$295,908</u>	<u>\$254,003</u>
Gross Profit Percentage	63%	66%

**NOTE J – HOUSE INCOME AND HALL RENTAL**

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

	<u>2021</u>	<u>2020</u>
Income – events and functions	\$ 17,653	\$9,037
Less: event and function costs	<u>2,532</u>	<u>2,466</u>
Gross Profit	<u>\$ 15,121</u>	<u>\$6,571</u>
Gross Profit Percentage	86%	73%

**NOTE K – SUBSEQUENT EVENTS**

The Coronavirus (COVID-19) pandemic continues to affect business operations worldwide, including in the United States of America. It is anticipated that the impacts from this pandemic will continue for some time and its future effects are unknown.

Subsequent events have been evaluated through December 2, 2021, which represents the date the financial statements were available to be issued.