To the Mt. Pleasant membership,

First off, I want to take this opportunity to thank you all for a good year given the circumstances that we had to deal with throughout this season. It wasn’t easy, but we were able to play the hand that we were dealt. I also want to take a moment to thank Sean, Joel, and Chuck and their respective staff members for all of the work that they have done this year. Everyone did a great job and it is very much appreciated! I want to thank Jay Heelon, our Business Manager, for all of the work that he has done this year, it is greatly appreciated! I also want to thank my fellow board members for all of their hard work and efforts throughout the year. Finally, thank you to the Financial Review Committee for all of their help throughout this year. I appreciate all of the help and guidance that you have given.

As you are all probably familiar with at this point, we have our books audited yearly and this year it was performed by Stafford and Gaudet out of Chelmsford MA. I will be going over the findings of that audit in the following report/bullet points.

Balance Sheet

* Cash finished at $84,957.07 on 10/31/20. The year-end minimum target is $120,000, which should be sufficient cash to fund operations through the next billing cycle. We were hoping to have received a payroll tax credit of about $48K but it appears that it might not be collected until next year. Additionally, about $22k of the Covid-19 Assessment remains uncollected at 10/31/20. However, at the time of writing this report, more of those funds have since come in.
* Accounts Receivable is up about $24K from last year. We are still experiencing slower collections than we would like, but this has been compounded by the October assessments that remain unpaid, about $22K as of 10/31/20.
* This year’s decrease of about 10% in inventory is consistent with reduced on-hand demand needed for hall functions.
* Last year, prepaid expenses included $275K in expenditures related to the irrigation project and about $8K for new lounge chairs. Without those charges, the 2019 balance would be about $51K. This year the payroll tax credit of $48K is included, which if removed from the balance would leave about $35K. The year-over-year difference between the adjusted balances is about $16K, which is equal to the difference in prepaid insurance. Typically, we pay the entire balance in the summer. This year we have been paying it in installments in order to preserve available cash.
* In 2020 we added an irrigation system ($627K), air conditioner units ($9K), lounge chairs ($15K) and a fertilizer spreader ($5K). We also disposed of all prior irrigation system assets as well as course equipment, furniture, and fixtures that are no longer in-service totaling $262K
* The increase in the demand not payable is consistent with the additional bowering of $620K less principal payments made over the year. All regularly scheduled principal and interest payments were made in FY20. Additionally, the available line of credit is $100K on 10/31/20 (not used).
* The reduction in current and long-term lease liabilities is consistent with the amortization table created at the onset of the agreement. All regularly scheduled lease payments were made in FY2020. No new lease agreements were entered into during the fiscal year.
* Last year, AP included $241K specifically related to the irrigation project. Which when removed results in a prior year balance of about $68K. This is about $25K higher than our 10/31/20 balance and can be attributed to reduced levels of purchases made in October as compared to last year. More specifically, beverages, house supplies, and course chemicals.
* The increase in accrued expenses is related to the payroll accrual and withholding accounts. We needed to accrue for 2 more days than last year.
* Deferred revenue is almost entirely made up of the food and beverage accounts. The $16.5K increase is consistent with reduced opportunities for members to use their accounts. Typically, unused balances (except add on amounts) are written off to revenue on 12/31.

Income Statement

* Revenue – The Covid Assessment helped mitigate some of the revenue shortfall but all other line items fell well short of expectations and prior year levels. March, April and May realized virtually or entirely non-existent bar receipts.
* Payroll Taxes in all departments has been adjusted for the pending payroll tax credit. The reduction in our payroll tax liability results in an overpayment.
* House expenses – Consistent with limited operations, the cost of related services is also below expected and traditional levels.
* Golf Course Expenses:
  + Salaries appear to be consistent with the need to pay employees higher rates in order to be competitive in market.
  + Course maintenance and supplies are higher than prior year and expectations due to higher demand but also because prior year included about $20K in credits from insurance claims.
  + Equipment R&M overruns appear to be consistent with repairs on equipment that needs to be replaced.
* Tournament Expenses - Consistent with limited operations, the cost of related services is also below expected and traditional levels. Misc. expense includes 2 years of MGA fees resulting in the $1,500 overage.
* General & Administrative – the biggest items here appear to be the increases in telecommunication cost and the increase in bad debt. Bad debt is higher due to increase in the dues bill and the larger number of social write-offs.

Overall, I think that we were able to devise a plan and get through a year with a lot of uncertainty and unknowns to the best of our ability. We were thrown a few curve balls along the way, but in my opinion, I feel as though we adjusted well as a board and as a club as a whole.

After this report, I will be stepping aside as Treasurer of Mt. Pleasant Golf Club. I want to thank everyone again for their support and for giving me this opportunity. Being Treasurer has been a great learning experience for me and it was great to be able to give a little bit back to the place that has given me so much throughout my lifetime.

With thanks and appreciation,

Brad Daly

Treasurer