

The Mountain Club
2022 Financial report
as of December 31, 2022

2022 Income statement (January – December 2022) Please see attached

- **Net income before depreciation was \$81k which enabled us to fund the reserve fund at the targeted level of \$93k. After depreciation, net income was \$55k vs \$49k in 2021**
 - Dining revenue at \$265k compared to \$260k in 2021
 - COGS were \$160k (food and beverage costs increased by 13.4% and was 60% of dining revenue vs 55% the prior year). This is reportedly in line with industry.
 - Payroll costs were up by 8% up primarily due to adding the health insurance benefit in July
 - Property maintenance costs were down by 37%
 - Utility costs were up by 15% and in line with industry
 - Total membership fees increased from \$213k to 252k primarily due to New Member fees and the dues increase

2022 Balance Sheet (as of December 31, 2022) Please see attached.

- **Cash position:** We currently have \$113k in our checking and savings accounts compared to \$90k in December 2021. We are well positioned to have enough cash in the other accounts to fund the reserve account and fund the proposed capital expenses for 2023.
 - **Equity:** Total Equity increased \$750k from \$694k in December 2021
 - **Accounts Receivable:** A/R is in excellent shape. Net of debits and credits, our bottom line A/R is all either "current" or "1 to 30 days" outstanding.
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2023 OPERATING BUDGET

This was the first year that an operating budget was drafted. Thanks to Sean, we were pleasantly surprised that we very close to budget. The board has approved a 2023 budget as follows:

REVENUE

- Dining Revenue: 5% increase
- Membership Revenue: 12% increase (primarily dues increase)

EXPENSES

- COGS: 4% increase
- Total Payroll: 7% increase
- Repairs and Maintenance: 8% increase
- Snow Removal: 31%
- Utilities: 6% increase
- Most other operating expenses major categories range from a 0% to a 4% increase

NET INCOME

- Increase from ~\$55k to ~\$74k **after depreciation**.
- **Before depreciation** (which is roughly equivalent to cash) the increase is from ~\$81k to ~\$101k

2023 CAPITAL BUDGET AND RESERVE FUND

- The total invested in capital improvements in 2022 was \$54,263 primarily in building and grounds improvements. Thank you to Peter Nicholas for spearheading this effort
- We have budgeted \$47k in capital improvements for 2023 including building and grounds at \$22k and renovation of the tennis court area (details still being worked on) of \$25k.
- We will transfer \$10k to the reserve fund in each of the first 3 qtrs. of 2023.

ACH

As of the end of December 44 (27.5%) of the membership had signed up for ACH. Thank you to Randy Butz for spearheading this effort.

SUMMARY

If we achieve the P& L budget target, we will likely be able to, not only fund the capital expenses, but also be able to, either fund other capital projects and/or accelerate the transfer of funds into the reserve fund. Our goal for the 2024 budget is to present it in advance of the annual meeting.

THANK YOU

I would like to thank the Board of Directors and membership for your continued dedication to the club. In particular, I would like to thank the members of the finance committee (Pat, Peter, Randy, Sean and Meg) for their guidance and input throughout the year

Respectfully submitted

Chuck Bogosta

Treasurer, The Mountain Club