

## Pelican Sound 2022 Budget

### Executive Summary

The Annual Member Assessment for 2022 is projected to be \$8,215, an increase of \$365 (4.65%). By comparison, last year's increase was \$325 (4.3%). The Operations Assessment will increase \$329.19 per door (4.78%). The Replacement Reserve projection has been updated by an independent professional firm, Dreux Isaac & Associates, Inc. with a \$35.81 per door increase. We believe the budget represents a fair balance between prudent financial management and maintaining the high standards our members expect.

	<u>2022</u> <u>BUDGET</u>	<u>2021</u> <u>BUDGET</u>	<u>VAR.</u>	<u>%</u>
AMENITIES	\$4,141.80	\$3,914.08	\$227.72	5.82%
PROPERTY MANAGEMENT	\$1,671.75	\$1,608.89	\$62.86	3.91%
BULK CABLE & INTERNET	\$998.16	\$966.08	\$32.08	3.32%
UTILITY	\$407.48	\$400.95	\$6.53	1.63%
<b>OPERATIONS ASSESSMENT</b>	<b>\$7,219.19</b>	<b>\$6,890.00</b>	<b>\$329.19</b>	<b>4.78%</b>
REPLACEMENT RESERVE	\$995.81	\$960.00	\$35.81	3.73%
<b>TOTAL ANNUAL ASSESSMENT</b>	<b>\$8,215.00</b>	<b>\$7,850.00</b>	<b>\$365.00</b>	<b>4.65%</b>

In preparing next year's budget, we look first at the current year reforecast (Jan – July actual and Aug – Dec projected). The 2021 Budget for August through December has been adjusted by each department based on current events and considering actual data from the last 5 months of 2020. COVID was and is a continuing wildcard. The 2021 Budget assumptions were that most amenities would be back to full operations with few COVID-19 restrictions. We did limit member events and reduced reciprocal activity slightly. That said, we are projecting revenues and expenses based on utilizing all facilities this fall, including a full calendar of member events.

In most years, historical data is helpful in preparing the budget, but that's a challenge for 2022. The clubhouse renovations in 2018 and 2019 along with COVID difficulties beginning in March of 2020 just as the new facilities were coming into full use has made historical data less helpful. The reality is that we have not yet had the opportunity to realize the full potential of our beautiful new facilities for an entire year. The 2022 Budget reflects the potential of our amenities.

Wages and benefits represent more than 40% of our expenses. Due to increased rates in construction and other industries, and especially high demand for restaurant staff, the competition for talent in the club industry is alarming. The 2021 Beekman Report, released in August, has average increases for various hourly positions by more than 10%. Similar southwest Florida clubs have had to initiate sign on bonuses and referral fees as well as increasing starting wages to attract and retain talent. While average wage increases of 3% are generally incorporated in the budget, the labor market has required us to increase some positions to a more competitive rate.

Group Insurance rates, which increased 4.2% in October 2021 are budgeted at an estimated increase of 4% in October 2022. Bulk Cable & Internet increases over 3% each November per the contract.

<b>RSM TRENDS</b>	<b>2021 SW FL CIRAS</b>	<b>2022 PELICAN SOUND</b>
Total Annual (RSM 2021)	\$10,940	\$8,215
Total Members	900	1299
Employees in Season	90	130
Members to Employees	10	10

Pelican Sound continues to compare favorably to other bundled communities, both for the amenities offered and the value provided as shown in the RSM<sup>1</sup> data above. Pelican Sound management, with support and feedback from the Finance Committee, has developed this year's budget which supports the club's vision to be the most desirable bundled community in Southwest Florida. Details of the plan follow.

<b>DEPARTMENT PER DOOR</b>	<b>2022 BUDGET</b>	<b>2021 BUDGET</b>	<b>CHANGE \$</b>
FOOD & BEVERAGE	\$733	\$635	\$97
GOLF OPERATIONS	\$1,532	\$1,538	(\$6)
RACQUET CENTER	\$176	\$155	\$21
FITNESS	\$49	\$60	(\$10)
MARINA	\$234	\$238	(\$5)
MISCELLANEOUS REVENUE	(\$184)	(\$167)	(\$17)
GENERAL & ADMINISTRATIVE	\$1,207	\$1,093	\$114
PROP INSURANCE/TAXES	\$396	\$362	\$34
<b>TOTAL OPERATING</b>	<b>\$4,142</b>	<b>\$3,914</b>	<b>\$228</b>

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<sup>1</sup>EXTERNAL DATA SOURCES:

RSM US LLP (formerly McGladrey) is an audit, tax, and consulting firm focused on the middle market in the United States and a member of the global accounting network RSM International. It is the fifth largest accounting firm in the United States, and they prepare the "Trends in Private Clubs" survey every year and do a Wage & Compensation survey for clubs every three years.

The 2021-22 RSM Trends in Private Clubs marks the 47th year of production for this annual report highlighting operating and financial trends of more than 200 clubs throughout Florida—the state with the highest concentration of private clubs.

The Beekman Report is an annual survey compiled by Club Consultants, LLC in cooperation with the Club Controllers Group. 61 clubs in Southwest Florida participated in the 2021 survey. This included 35 Private Clubs and 26 Homeowner/CIRA, Bundled Clubs. The Benefits & Compensation portion of the survey includes all participants. The Fees & Dues are grouped by Bundled or Private Club. Golf Course information is grouped by number of holes (18, 27, 36 and 54+).

Pelican Sound is a Bundled Club, or CIRA: Common Interest Realty Association. In a CIRA Club membership is automatic and cannot be separated from ownership of real estate.

**FOOD & BEVERAGE**

	<b>2022</b>	<b>2021</b>			<b>2021</b>		
	<b>BUDGET</b>	<b>BUDGET</b>	<b>VAR</b>	<b>%</b>	<b>Refore</b>	<b>VAR</b>	<b>%</b>
Food Revenue	1,366,143	1,263,293	102,850	8.14%	1,273,416	92,727	7.28%
Bev Revenue	644,885	606,084	38,801	6.40%	612,795	32,090	5.24%
Other Revenue	0	0	0	0.00%	4,610	(4,610)	0.00%
<b>TOTAL REVENUE</b>	<b>2,011,027</b>	<b>1,869,377</b>	<b>141,650</b>	<b>7.58%</b>	<b>1,890,821</b>	<b>120,206</b>	<b>6.36%</b>
<b>FOOD COST</b>	<b>655,748</b>	<b>606,381</b>	<b>49,367</b>	<b>8.14%</b>	<b>647,174</b>	<b>8,574</b>	<b>1.32%</b>
<b>BEVERAGE COST</b>	<b>193,465</b>	<b>181,825</b>	<b>11,640</b>	<b>6.40%</b>	<b>197,444</b>	<b>(3,978)</b>	<b>-2.01%</b>
<b>PAYROLL</b>	<b>1,879,494</b>	<b>1,693,375</b>	<b>186,119</b>	<b>10.99%</b>	<b>1,775,344</b>	<b>104,150</b>	<b>5.87%</b>
<b>EXPENSES</b>	<b>234,156</b>	<b>213,215</b>	<b>20,941</b>	<b>9.82%</b>	<b>249,241</b>	<b>(15,085)</b>	<b>-6.05%</b>
<b>TOTAL</b>	<b>(951,837)</b>	<b>(825,419)</b>	<b>(126,418)</b>	<b>15.32%</b>	<b>(978,382)</b>	<b>26,546</b>	<b>-2.71%</b>
<b>PER DOOR</b>	<b>\$732.75</b>	<b>\$635.43</b>	<b>\$97.32</b>	<b>15.32%</b>	<b>\$753.18</b>	<b>-\$20.44</b>	<b>-2.71%</b>

<b>RSM TRENDS</b>	<b>2021</b>	<b>2022</b>
	<b>SW FL</b>	<b>PELICAN</b>
	<b>CIRAS</b>	<b>SOUND</b>
F&B Revenue	\$1,191,800	\$2,011,027
F&B Subsidy per Member	\$950	\$733
F&B Subsidy to F&B Sales	71.8%	47.3%
58% w/ F&B Minimum	\$700	\$0
5% w/ Mandatory Service Charge	\$500	\$0
F&B Cost of Sales	42.4%	42.2%
Payroll as % of Revenue	107.7%	93.5%

The comparisons to the RSM Trends are for Southwest Florida CIRA (bundled) clubs only. Although our revenues are double the Trends average, our subsidy per member is \$217 per member less than average. 63% of local CIRA clubs have either a F&B Minimum or a Mandatory Service Charge. These are both fees added to the member's annual billing that Pelican Sound does not charge.

The average 2020 expense for F&B Payroll Salaries and Benefits for Southwest Florida CIRA Clubs is 107.7% of F&B Revenue, and although we operate two full-service restaurants with three kitchens, our average for the 2022 Budget compares very well at 93.5%.

**REVENUE**

The revenue increase is notable, however it is a projection of the first full year in our new facilities with no capacity restrictions or limited member events since the grand opening. Although Florida is still experiencing effects of the pandemic, based on past surveys, the majority of our membership is vaccinated, and we do have promising signs of the availability of a booster shot that will provide added protection. This budget does not reflect any adverse effects from the pandemic; however, health and safety is our priority and we are prepared to make any necessary adjustments if needed.

F&B COVERS	2022	2021	Variance
	Budget Covers	Reforecast Covers	
Pavilion	25,445	25,610	-165
Pelican Pub	22,613	22,225	388
River Club	20,335	19,471	864
Vista	14,540	18,513	-3,973
Member Events	9,794	3,880	5,914
<b>TOTAL COVERS</b>	<b>92,727</b>	<b>89,699</b>	<b>3,028</b>

Revenues are projected based on “covers”, the number of patrons that will consume an entrée. Since the opening of the new Clubhouse and the introduction of our new dining venues, we have not had the opportunity to truly experience the actual potential of a full year without any business restrictions. We have projected 2021 to end the year with 89,699 covers and have added an additional 3,000 covers for 2022. The 2022 Budget includes a full calendar of Member Events that were scaled back in the 2021 Budget. Vista covers decreased because when there is a Member Event in the dining room, it displaces a la carte dining during that meal period.

Price adjustments have been made due to rising costs over the past year as we continue to meet expectations and provide quality while still maintaining our fiscal responsibilities. In July 2021 Chef Scott joined our team and brings a wealth of talent that will provide well-balanced, diverse cuisine. Chef Scott’s key objective is to strive to continually improve operations that lead to a consistently exceptional dining experience.

### COST OF SALES

Cost of Sales percentages are the same in the 2022 Budget as in previous years, with Food Cost at 48%, and Beverage Cost at 30%. Despite the current economy and rising costs, we are optimistic that we will attain this with slight price increases. A recipe card is developed for every menu item that includes all the ingredients and their cost. Menu items will be monitored and adjusted based on cost, popularity, and market.

In a continued effort to provide value, we have added a Wine Society this year. The Wine Society is an opportunity for our members to explore the world of wine through tasting events, wine dinners, educational sessions, and so much more!

### PAYROLL

Wage increases, Group Insurance coverage, adjustments to wages to remain competitive, and personnel changes have had a large impact on this department. Compared to the RSM Trends, the average CIRA club runs 107.7% payroll to revenue, and we are better than average at of 93.5% payroll to revenue. The average full time equivalent head count has changed very little from budget to budget, however, there have been some adjustments to certain positions to be competitive in the current market and retain talent.

### EXPENSES

Although the overall F&B subsidy of \$732.35 is an increase from the \$635.43 in the 2021 Budget, the subsidy decreased compared to \$753.18 in the 2021 Reforecast. This Key

Performance Indicator (KPI) is much better than the RSM average subsidy of \$950 for SWFL CIRA clubs.

Music & Entertainment has increased by \$15,200 from the last budget because we had cut many member events last year and is an increase of \$3,700 from the 2021 Reforecast. Laundry & Linen expense increased by \$18,900 compared to the 2021 Budget and is equal to the 2021 Reforecast due to increased events.

## F&B Hours January—April 2022

**Pavilion Breakfast: Daily 7am-10am | Vista Brunch: Sundays 10am-1pm**

### LUNCH

	Pavilion Express	Pelican Pub	River Club
MONDAY	11am-2:30pm	11am-2:30pm Bar - 9:00pm	11am-2:30pm Bar - 6:00pm
TUESDAY	11am-2:30pm	11am-2:30pm Bar - 9:00pm	11am-2:30pm Bar - 9:00pm
WEDNESDAY	11am-2:30pm	11am-2:30pm Bar - 9:00pm	11am-2:30pm Bar - 9:00pm
THURSDAY	11am-2:30pm	11am-2:30pm Bar - 9:00pm	11am-2:30pm Bar - 9:00pm
FRIDAY	11am-2:30pm	11am-2:30pm Bar - 9:00pm	11am-2:30pm Bar - 9:00pm
SATURDAY	11am-2:30pm	11am-2:30pm Bar - 9:00pm	11am-2:30pm Bar - 9:00pm
SUNDAY	11am-2:30pm	Vista Brunch Only 10am-1pm bar until 6pm	11am-4:00pm Bar - 9:00pm

### DINNER

	Pavilion	Vista	River Club
MONDAY	5:00pm-9:00pm		
TUESDAY	5:00pm-9:00pm Soothing Sounds 5pm-8pm		5:00pm-9:00pm
WEDNESDAY	5:00pm-9:00pm		5:00pm-9:00pm
THURSDAY		5:00pm-9:00pm	5:00pm-9:00pm 6pm-9pm Unplugged
FRIDAY		5:00pm-9:00pm	5:00pm-9:00pm
SATURDAY		5:00pm-9:00pm	5:00pm-9:00pm
SUNDAY			5:00pm-9:00pm

**GOLF OPERATIONS**

	<b>2022</b>	<b>2021</b>			<b>2021</b>		
	<b>BUDGET</b>	<b>BUDGET</b>	<b>VAR</b>	<b>%</b>	<b>Refore</b>	<b>VAR</b>	<b>%</b>
Member Cart	728,045	710,760	17,285	2.43%	717,629	10,416	1.45%
Member Trail	502,875	451,200	51,675	11.45%	475,995	26,880	5.65%
Guest Fees	270,148	261,069	9,079	3.48%	256,622	13,526	5.27%
Lessee	192,767	125,668	67,099	53.39%	161,740	31,027	19.18%
Reciprocal	77,350	107,700	(30,350)	-28.18%	60,212	17,138	28.46%
Club Storage	23,842	23,400	442	1.89%	20,969	2,873	13.70%
Club Rent/Handicap	13,375	9,600	3,775	39.32%	11,390	1,985	17.43%
Merchandise	300,000	260,000	40,000	15.38%	313,366	(13,366)	-4.27%
<b>TOTAL REVENUE</b>	<b>2,108,401</b>	<b>1,949,396</b>	<b>159,005</b>	<b>7.54%</b>	<b>2,017,923</b>	<b>90,479</b>	<b>4.48%</b>
<b>COST OF MERCH</b>	<b>228,000</b>	<b>197,600</b>	<b>30,400</b>	<b>15.38%</b>	<b>226,864</b>	<b>1,136</b>	<b>0.50%</b>
<b>PAYROLL</b>	<b>2,249,594</b>	<b>2,162,693</b>	<b>86,901</b>	<b>4.02%</b>	<b>2,148,896</b>	<b>100,699</b>	<b>4.69%</b>
<b>EXPENSES</b>	<b>1,621,158</b>	<b>1,587,420</b>	<b>33,738</b>	<b>2.13%</b>	<b>1,571,535</b>	<b>49,624</b>	<b>3.16%</b>
<b>TOTAL</b>	<b>(1,990,351)</b>	<b>(1,998,317)</b>	<b>7,966</b>	<b>-0.40%</b>	<b>(1,929,372)</b>	<b>(60,979)</b>	<b>3.16%</b>
<b>PER DOOR</b>	<b>\$1,532.22</b>	<b>\$1,538.35</b>	<b>-\$6.13</b>	<b>-0.40%</b>	<b>\$1,485.27</b>	<b>\$46.94</b>	<b>3.16%</b>

<b>BEEKMAN 2021</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
<b>27 Hole Courses- Rounds</b>	<b>Beekman</b>	<b>P.S.</b>	<b>P.S.</b>	<b>P.S.</b>	<b>P.S.</b>
	<b>Rounds</b>	<b>BUDGET</b>	<b>REFORE</b>	<b>BUDGET</b>	<b>ACTUAL</b>
Member 18	36,336	51,050	50,925	50,630	53,925
Member 9	11,804	13,100	13,549	12,665	13,276
Reciprocal 18	822	1,450	1,263	2,050	40
Reciprocal 9	0	250	185	300	0
All Other 18	4,062	6,060	6,087	5,290	3,785
All Other 9	1,809	2,635	2,599	2,405	1,855
<b>TOTAL ROUNDS</b>	<b>54,833</b>	<b>74,545</b>	<b>74,608</b>	<b>73,340</b>	<b>72,881</b>

<b>BEEKMAN 2021</b>	<b>2021</b>	<b>2022</b>
	<b>S.W.</b>	<b>PELICAN</b>
	<b>FLORIDA</b>	<b>SOUND</b>
Cost Per Hole	91,361	94,822
Average Rounds	54,337	74,545
Cost Per Round	\$43	\$34

Our Cost Per Hole is higher than the median survey cost, however the high survey cost is \$101,887 and our total rounds (linked to purchases of chemical, fertilizer, scorecard, tees, towels, etc.) average 20,000 more than other clubs. The survey Low Rounds are 35,457 and Pelican Sound is the High Rounds.

**REVENUE**

With the increase in member rounds and private cart owners for the past two years we have continued that trend for 2022. Reciprocal rounds have decreased from budget to budget, but we have increased revenue by \$17,000 over reforecast. There have been some adjustments to fees (see chart on last page).

Merchandise Revenue is based on recent sales trends. Using social media advertising, promotional activities, and special events (sidewalk sales, spin the wheel, discount codes, personal shopper events, etc.) sales have increased since the new Proshop opened.

<b>GOLF MERCHANDISE</b>	
2017	\$250,683
2018	\$208,378
2019	\$162,031
2020	\$270,758
2021	\$313,366
2022	\$300,000

\*2019 Renovation – Pro Shop operating from trailer

### COST OF SALES

Golf Merchandise Cost of Sales has not changed from the 2021 Budget and remains at 76% and Merchandise Sales have been increased by \$40,000 based on reforecast.

### EXPENSES

Contract Labor increased by \$21,800 from budget and \$7,000 from the reforecast because Cord Grass Trimming and Cabbage Palm Trimming had both been reduced in the 2021 Budget.

Fertilizer has not changed from budget to budget but is an increase of \$32,000 from the reforecast. Fertilizer averages between \$230,000 and \$250,000 every year and can fluctuate depending on weather conditions.

Gas is budgeted at reforecast plus 2% and is an \$11,600 increase.

Leased Equipment increased \$6,700 with the renewal in January 2022 of the four-year lease on walk mowers.

Maintenance & Repairs has increased by \$4,500 based on history to bring it up to reforecast.

Operating Supplies have decreased by \$10,500 equal to reforecast.

Practice Range has decreased by \$5,500 from the 2021 Budget that included new bag stands. A large purchase was made in 2020 that reduced the 2021 Reforecast.

**RACQUET CENTER**

	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>VAR</u></b>	<b><u>%</u></b>	<b><u>2021</u></b>	<b><u>VAR</u></b>	<b><u>%</u></b>
	<b><u>BUDGET</u></b>	<b><u>BUDGET</u></b>			<b><u>Refore</u></b>		
Court Fees	7,200	2,150	5,050	234.88%	7,101	99	1.39%
Merchandise	25,000	33,100	(8,100)	-24.47%	17,957	7,043	39.22%
Miscellaneous	5,150	5,150	0	0.00%	2,712	2,438	89.90%
<b>TOTAL REVENUE</b>	<b>37,350</b>	<b>40,400</b>	<b>(3,050)</b>	<b>-8.17%</b>	<b>27,770</b>	<b>9,580</b>	<b>34.50%</b>
<b>COST OF MERCH</b>	<b>19,000</b>	<b>25,114</b>	<b>(6,114)</b>	<b>-24.34%</b>	<b>12,747</b>	<b>6,253</b>	<b>49.05%</b>
<b>PAYROLL</b>	<b>211,227</b>	<b>193,489</b>	<b>17,738</b>	<b>9.17%</b>	<b>182,265</b>	<b>28,963</b>	<b>15.89%</b>
<b>EXPENSES</b>	<b>35,125</b>	<b>23,130</b>	<b>11,995</b>	<b>51.86%</b>	<b>20,253</b>	<b>14,872</b>	<b>73.43%</b>
<b>TOTAL</b>	<b>(228,002)</b>	<b>(201,333)</b>	<b>(26,669)</b>	<b>11.70%</b>	<b>(187,495)</b>	<b>(40,508)</b>	<b>21.60%</b>
<b>PER DOOR</b>	<b>\$175.52</b>	<b>\$154.99</b>	<b>\$20.53</b>	<b>13.25%</b>	<b>\$144.34</b>	<b>\$31.18</b>	<b>21.60%</b>

**REVENUE**

Court Fees have increased by \$5,000 for the addition of Glow Events that were implemented in 2021. Merchandise Revenue has decreased by \$8,100 from the 2021 Budget and is a \$7,000 increase over reforecast and is based on history.

**EXPENSES**

Dues & Subscriptions for both tennis and pickle ball pro league memberships, cut from the 2021 Budget, have been added back in at a cost of \$3,200.

Promotions for exhibitions and trophies, cut from the 2021 Budget, have been added back in at a cost of \$3,300.

Travel for conferences, cut from the 2021 Budget, have been added back in at a cost of \$4,000.

**FITNESS**

	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>VAR</u></b>	<b><u>%</u></b>	<b><u>2021</u></b>	<b><u>VAR</u></b>	<b><u>%</u></b>
	<b><u>BUDGET</u></b>	<b><u>BUDGET</u></b>			<b><u>Refore</u></b>		
REVENUE	184,294	178,720	5,574	3.12%	147,775	36,519	24.71%
PAYROLL	128,545	136,897	(8,352)	-6.10%	118,198	10,348	8.75%
EXPENSES	119,863	119,463	400	0.33%	104,809	15,054	14.36%
<b>TOTAL</b>	<b>(64,114)</b>	<b>(77,640)</b>	<b>13,526</b>	<b>-21.10%</b>	<b>(75,231)</b>	<b>11,118</b>	<b>-14.78%</b>
<b>PER DOOR</b>	<b>\$49.36</b>	<b>\$59.77</b>	<b>-\$10.41</b>	<b>-17.42%</b>	<b>\$57.91</b>	<b>-\$8.56</b>	<b>-14.78%</b>

**REVENUE**

The revenue for fitness is budgeted at the same level of classes as in the 2021 Budget with slight fee increases.

**PAYROLL & EXPENSES**

Classes are taught either by employees (Payroll) or contractors (Expense). The mix can change, but both are increasing over the reforecast with more classes and participants anticipated in 2022.



**MARINA**

	<b>2022 BUDGET</b>	<b>2021 BUDGET</b>	<b>VAR</b>	<b>%</b>	<b>2021 Refore</b>	<b>VAR</b>	<b>%</b>
REVENUE	51,060	45,390	5,670	12.49%	43,470	7,590	17.46%
PAYROLL	0	0	0	0.00%	0	0	0.00%
EXPENSES	354,524	354,812	(288)	-0.08%	355,992	(1,468)	-0.41%
<b>TOTAL</b>	<b>(303,464)</b>	<b>(309,422)</b>	<b>5,958</b>	<b>-1.96%</b>	<b>(312,522)</b>	<b>9,057</b>	<b>-2.90%</b>
PER DOOR	\$233.61	\$238.20	-\$4.59	-1.93%	\$240.59	-\$6.97	-2.90%

**REVENUE**

Revenue for boat and vehicle storage has been budgeted at the same usage with rate increases.

**EXPENSES**

The Boat Shuttle to Lovers Key is budgeted at the same rate as the 2021 budget.

**MISCELLANEOUS REVENUE**

	<b>2022 BUDGET</b>	<b>2021 BUDGET</b>	<b>VAR</b>	<b>%</b>	<b>2021 Refore</b>	<b>VAR</b>	<b>%</b>
DUES-TENNIS	1,400	2,950	(1,550)	-52.54%	1,755	(355)	-20.21%
ESTOPPEL	18,750	18,750	0	0.00%	21,300	(2,550)	-11.97%
INTEREST	18,150	16,000	2,150	13.44%	18,202	(52)	-0.29%
MISC REVENUE	29,500	25,000	4,500	18.00%	30,259	(759)	-2.51%
HOUSEGUEST	17,600	9,700	7,900	81.44%	17,600	0	0.00%
TRANSFER	90,000	90,000	0	0.00%	84,540	5,460	6.46%
APPLICATION	47,250	44,025	3,225	7.33%	46,950	300	0.64%
SMART PASS	16,950	10,965	5,985	54.58%	16,950	0	0.00%
<b>TOTAL</b>	<b>239,600</b>	<b>217,390</b>	<b>22,210</b>	<b>9.27%</b>	<b>237,556</b>	<b>2,045</b>	<b>0.86%</b>
PER DOOR	-\$184.45	-\$167.35	-\$17.10	10.22%	-\$182.88	-\$1.57	0.86%

Lessee Application and Transfer Fees up slightly from reforecast and are based on history. The number of renters has been declining with many of them purchasing, and they don't typically rent out their unit.

<b>RENTER HISTORY</b>		
<b>Year</b>	<b>BUDGET</b>	<b>ACTUAL</b>
2012	385	343
2013	390	362
2014	340	363
2015	358	328
2016	318	300
2017	326	283
2018	287	281
2019	277	233
2020	254	217
2021	250	235
2022	250	

**GENERAL & ADMINISTRATION**

	<b>2022 BUDGET</b>	<b>2021 BUDGET</b>	<b>VAR</b>	<b>%</b>	<b>2021 Refore</b>	<b>VAR</b>	<b>%</b>
PAYROLL	1,187,913	1,053,679	134,234	12.74%	1,026,242	161,671	15.75%
EXPENSES	380,083	366,304	13,779	3.76%	403,311	(23,229)	-5.76%
<b>TOTAL</b>	<b>1,567,996</b>	<b>1,419,983</b>	<b>148,013</b>	<b>9.44%</b>	<b>1,429,554</b>	<b>138,443</b>	<b>9.68%</b>
PER DOOR	\$1,207.08	\$1,093.14	\$113.94	10.42%	\$1,100.50	\$106.58	9.68%

**PAYROLL**

The budget-to-budget increase reflects rate adjustments assuming all positions at full staffing, and continuation salary increases.

**EXPENSES**

Clubhouse Cleaning increased by \$4,800 from budget but decreased by \$11,700 from reforecast by bringing Racquet Center cleaning in house.

Credit Card Commissions have increased by \$4,800 and are equal to the 2021 Reforecast.

Maintenance Contracts have increased by \$6,100 from budget and \$500 from reforecast due to the increase in NorthStar rates for the additional modules including Grab & Go.

Printing increased by \$4,900 from budget but decreased by \$5,200 from reforecast.

Promotions has been decreased by \$6,000 from budget to equal reforecast.

Storage has decreased by \$3,600 from budget and \$5,900 from reforecast because we have installed air conditioning in the back room at the accounting office to allow in house storage and have cancelled all off-site storage.

Travel has increased by \$6,000 from budget to add Club Managers Association of America conferences back in that were removed last year.

**UTILITIES**

	<b>2022 BUDGET</b>	<b>2021 BUDGET</b>	<b>VAR</b>	<b>%</b>	<b>2021 Refore</b>	<b>VAR</b>	<b>%</b>
ELECTRIC	227,912	209,159	18,753	8.97%	223,443	4,469	2.00%
WATER/SEWER	45,972	46,974	(1,002)	-2.13%	42,025	3,947	9.39%
EFFLUENT	110,321	121,110	(10,789)	-8.91%	110,321	0	0.00%
GAS	71,140	69,769	1,371	1.97%	62,114	9,026	14.53%
TRASH	39,800	39,800	0	0.00%	37,849	1,951	5.15%
TELEPHONE	34,170	34,020	150	0.44%	33,438	732	2.19%
<b>TOTAL</b>	<b>529,314</b>	<b>520,832</b>	<b>8,482</b>	<b>1.63%</b>	<b>509,190</b>	<b>20,125</b>	<b>3.95%</b>
PER DOOR	\$407.48	\$400.95	\$6.53	1.63%	\$391.99	\$15.49	3.95%

Utilities are based on historical data and budgeted hours of operation.

**PROPERTY MANAGEMENT**

	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>VAR</u></b>	<b><u>%</u></b>	<b><u>2021</u></b>	<b><u>VAR</u></b>	<b><u>%</u></b>
	<b><u>BUDGET</u></b>	<b><u>BUDGET</u></b>			<b><u>Refore</u></b>		
REVENUE	3,468,213	3,344,889	123,324	3.69%	3,344,889	123,324	3.69%
PAYROLL	640,577	627,664	12,912	2.06%	550,584	89,993	16.34%
EXPENSES	2,504,287	2,387,593	116,694	4.89%	2,379,923	124,364	5.23%
UTILITIES	323,349	329,632	(6,283)	-1.91%	338,701	(15,352)	-4.53%
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>75,681</b>	<b>(75,681)</b>	

**REVENUE**

The Property Management Revenue is dues derived from expenses.

**PAYROLL**

The budget-to-budget increase reflects the rate adjustments based on full staffing. The reforecast is low due to three open positions all summer and the manager out on disability.

**EXPENSES**

Operating Expenses increased \$116,700 from the 2021 Budget including the Bulk Cable/Internet increase of \$42,000 for the 3.5% contract increase. The remaining \$74,000 increase is:

General Maintenance increased \$10,000 from budget and \$4,800 from reforecast.

Landscaping expense remained the same due to a three-year contract for 2021 through 2023.

Maintenance Contracts increased \$9,000 due to contract renewals and the addition of the Golf Clubhouse generator maintenance contract.

Security increased \$48,600 for rate increases. We did not increase their rates last year and are now adjusting in an effort to retain some of the key personnel that have been with us for several years.

<b>Pelican Sound 2022 Proposed Fee Schedule</b>				All Fees are Pre-Tax			
<b>GOLF</b>	<u>2021</u>	<u>2022</u>	<u>% Var</u>		<u>2021</u>	<u>2022</u>	<u>% Var</u>
<b>Member Cart Fee</b>				<b>Bag Storage Fee</b>			
Member 18	24.00	25.00	4.2%	Annual	100.00	110.00	10.0%
Member 9	16.00	16.50	3.1%	Monthly	30.00	30.00	0.0%
Annual Trail Fee	1,800.00	1,875.00	4.2%	Weekly	10.00	10.00	0.0%
Annual Cart Lease	2,280.00	2,375.00	4.2%				
<b>Guest Fees 18 hole</b>				<b>Golf Lesson Rates</b>			
January 1 to April 15	98.00	98.00	0.0%	1/2 Hour Lesson	50.00	55.00	10.0%
April 16 - October 31	36.00	36.00	0.0%	1 Hour Lesson	100.00	110.00	10.0%
November 1 - December 31	52.00	52.00	0.0%	(3) 1/2 hour sessions	135.00	150.00	11.1%
				(6) 1/2 hour sessions	250.00	290.00	16.0%
<b>Preferred Guest (8)</b>				<b>Club Rental</b>			
Member Preferred 18 hole	60.00	60.00	0.0%	18 hole	20.00	20.00	0.0%
Member Preferred 9 hole Limited to 8 per year	40.00	40.00	0.0%	9 hole	20.00	20.00	0.0%
<b>Guest Fees 9 hole</b>				<b>Lessee Fees 18 hole</b>			
January 1 to April 15	62.00	62.00	0.0%	January 1 to April 15	63.00	65.50	4.0%
April 16 - October 31	25.00	25.00	0.0%	April 16 - October 31	31.00	32.25	4.0%
November 1 - December 31	35.00	35.00	0.0%	November 1 - December 31	49.00	51.00	4.1%
<b>Walking Fees</b>				<b>Lessee Fees 9 hole</b>			
Guest Walking Fee	20.00	21.00	5.0%	January 1 to April 15	44.00	45.75	4.0%
Lessee Walking	20.00	21.00	5.0%	April 16 - October 31	21.00	22.00	4.8%
Lessee Guest Walking	20.00	21.00	5.0%	November 1 - December 31	34.00	35.50	4.4%
<b>Reciprocal Fees</b>				<b>GHIN Handicap Fee</b>	20.00	20.00	0.0%
Reciprocal 18 holes	48.00	48.00	0.0%				
Reciprocal 9 holes	31.00	31.00	0.0%				
Reciprocal Guest 18 holes	52.00	52.00	0.0%				
Reciprocal Guest 9 holes	35.00	35.00	0.0%				
<b>TENNIS &amp; PICKLEBALL</b>	<u>2021</u>	<u>2022</u>	<u>% Var</u>	<b>FITNESS</b>	<u>2021</u>	<u>2022</u>	<u>% Var</u>
<b>Tennis Lesson Rates</b>				All classes	9.00	9.50	5.6%
1/2 Hour Lesson	30.00	30.00	0.0%	Annual Unlimited	595.00	615.00	3.4%
1 Hour Lesson	55.00	60.00	9.1%	In Season Unlimited	82.00	85.00	3.7%
				Summer Unlimited	52.00	54.00	3.8%
<b>Ball Machine</b>				Personal Training 1/2 Hour	36.00	37.00	2.8%
1/2 Hour	10.00	10.00	0.0%	Personal Training 1 Hour	62.00	64.00	3.2%
1 Hour	15.00	15.00	0.0%				
<b>Tennis Round Robin</b>	3.00	3.00	0.0%	Tennis Single	1,350.00	1,400.00	3.7%
<b>Racquet Rental</b>	7.00	7.00	0.0%				
<b>Guest Fee</b>	0.00	0.00	0.0%				
<b>Other Fees</b>							
Application to Lease	225.00	225.00	0.0%	Designated Member	200.00	200.00	0.0%
Island Sound 2 App to Lease	275.00	275.00	0.0%	Boat /Auto Storage Annual	430.00	450.00	4.7%
Transfer of Amenities	375.00	375.00	0.0%	Boat /Auto Storage Monthly	58.00	60.00	3.4%
Registered Houseguest	100.00	100.00	0.0%	Canoe/Kayak Annual	120.00	120.00	0.0%