

CLARE GOLF AND COUNTRY CLUB
REPORT OF FINANCIAL REVIEW COMMITTEE
2022 Financial Statements

The Financial Review Committee was appointed at the last Shareholders Meeting held by the Company in the Spring of 2022. We were provided the Financial Statements for the year ended December 31, 2022, as well as the 2023 Budget, which we reviewed as a Committee. The Committee met with the Treasurer and asked questions of clarification. We were satisfied with all responses provided.

It should be noted that the Financial Review Committee is not intended to serve as an “audit” in the absence of the appointment of a qualified auditor. The members of the Committee are not auditors nor accountants, and they have not examined the books and accounts of the Club. Instead, the Committee has applied a general review of the statements from a business operations perspective.

The increased play continued as the pandemic subsided in 2022, including increased membership fees, tournament income, and related revenues like golf car rentals. For a second straight year, kitchen sales saw a significant improvement in 2022. However, corresponding operating expenses and cost of goods sold increased with the higher activity, and as in the broader community, inflation had an impact on costs. Nevertheless, while COVID-related government funding came to an end, the Company still managed to have a positive net income as operations normalized (even if insurance proceeds for the cart shed fire are excluded). A sign of the positive financial position of the Company is that it was able to finance about \$371,000 of new Property and Equipment in 2022 without incurring additional debt (including about \$138,000 for new golf cars, over and above the replacement of the golf cart shed and grounds equipment lost in the fire). The Board and the Manager are to be congratulated on their continuing efforts in the successful operations and financial management.

The Committee also reviewed the 2023 Budget. While operations continue to normalize after the pandemic, and accounting for inflationary pressures, a surplus is projected. The Committee is satisfied that the projections are reasonable. This year, the Board and Management also developed a new three year budget forecast, using conservative assumptions. The Committee considers this to be a useful planning tool for both the Board and Management in the operation of the Company.

Yours truly,

Financial Review Committee (Stephane LeBlanc, Marc Deveau, Roland Deveau)

April 7, 2023