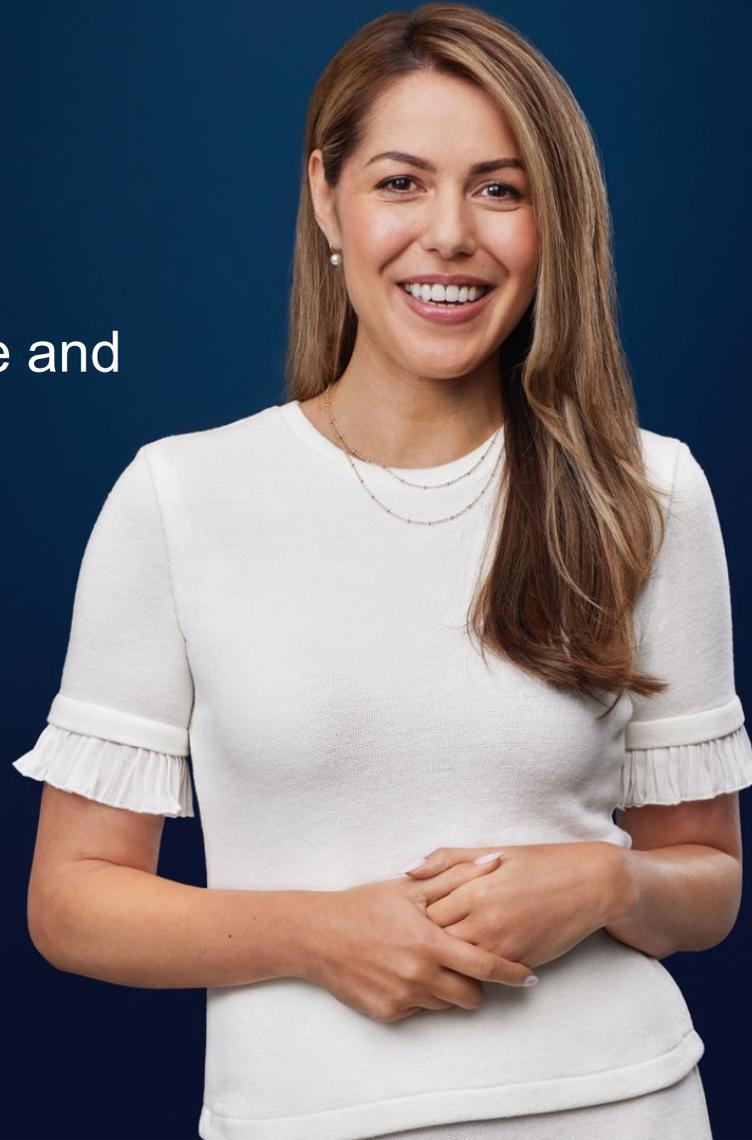


THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

Turning Numbers Into Oversight

Board Ready Governance and Financial Presentation

February 27, 2026





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National Private Club Practice

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Topics

01

Club Structure

02

Budgeting and setting dues

03

Protecting Members' Dollars

04

How to Measure Performance

WHAT TYPE OF CLUB ARE WE?

What Type Of Club Are You?

Traditional Stand-Alone Social Club

- Membership by invitation only
- Likely no refundable equity
- USFRC/Topic 958/Non-Profit Guide
- Files 990 or 1120

Residential Country Club

- Inside the gates
- Separate Club and HOA
- Non-resident memberships?
- USFRC/Topic 958/Non-Profit Guide
- Files 990 or 1120
- Likely to have “refundable” equity
- Real estate considerations influential
- Club = community = lifestyle = property value

Large Scale Association

- Common Interest Realty Association (CIRA)
- “Bundled community” – single purpose entity
- USFRC/Topic 972
- Files 1120
- Implicit mandatory membership design
- Single board
- Potential sales and property tax benefits
- Members = homeowners

Mandatory Membership Residential Club

- Separate Club and HOA
- Membership is mandatory in both club & HOA
- USFRC/Topic 958 and 972/Non-Profit Guide
- Files 990 or 1120
- Recognizes benefit of homeowners supporting the club
- May have a common board

General Financial Presentation

Type of Club	Financial Position	Results of Operations	Cash Flows	Fund Balance or Members' Equity
Private Club	Statement of Financial Position	Statement of Activities	Statement of Cash Flows	Included within the Statement of Activities as "net assets"
CIRA	Balance Sheet	Statement of Revenues and Expenses	Statement of Cash Flows	Statement of Changes in Fund Balances or Members' Equity

Explain How Club Finances Work to Your Board



Statement of Financial Position

Sample Country Club

Statements of Financial Position December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,684,597	\$ 3,057,438
Less board designated funds (Note 2)	<u>4,004,898</u>	<u>2,238,185</u>
	679,699	819,253
Accounts receivable, net of allowance for credit losses (2025—\$37,351; 2024—\$89,533)	217,403	198,921
Inventories	180,757	248,740
Prepaid expenses	<u>162,473</u>	<u>143,909</u>
Total current assets	1,240,332	1,410,823
Board designated funds (Note 2)	4,004,898	2,238,185
Property and equipment, net (Note 3)	28,414,759	22,532,076
Finance lease right-of-use assets, net (Note 3)	542,618	366,680
Interest rate swap (Note 4)	82,507	-
Other assets	1,500	1,500
Total assets	\$ 34,286,614	\$ 26,549,264

Liabilities and Net Assets

Current liabilities:		
Current maturities of finance lease liabilities (Note 5)	220,042	139,728
Current maturities of long-term debt (Note 4)	914,252	619,087
Accounts payable, trade	475,742	199,671
Accounts payable, construction (Note 3)	552,076	-
Accrued expenses	411,517	478,105
Deferred revenue	<u>543,745</u>	<u>521,183</u>
Total current liabilities	3,117,374	1,957,774
Finance lease liabilities, less current maturities (Note 5)	322,576	226,952
Long-term debt, net of current maturities and unamortized loan closing costs (Note 4)	5,630,215	1,792,320
Interest rate swap (Note 4)	<u>-</u>	<u>116,567</u>
Total liabilities	9,070,165	4,093,613
Commitments and contingencies (Note 3, 6 and 11)		
Net assets without donor restrictions	<u>25,216,449</u>	<u>22,455,651</u>
Total liabilities and net assets	\$ 34,286,614	\$ 26,549,264

Sample Country Club

Statement of Activities
December 31, 2025 and 2024

	2025	2024
Operating revenues:		
General:		
Membership dues	\$ 4,595,002	\$ 4,385,976
Interest income	-	864,405
Other income	11,737	7,425
Program:		
Food and beverage	1,137,420	1,224,157
Sports and recreation:		
Pro shop merchandise	364,361	369,899
Cart fees	384,172	493,676
Greens fees	137,949	138,349
Other golf	209,293	233,145
Locker and fitness	255,707	222,913
Tennis	52,844	32,149
Total operating revenues	7,148,485	7,972,094
Operating expenses (Note 10):		
Program:		
Food and beverage	2,008,963	2,289,827
Sports and recreation:		
Golf and related activities	722,293	761,561
Golf course maintenance	1,405,601	1,528,424
Locker and fitness	361,716	346,219
Tennis	273,866	245,115
Support:		
Membership	292,306	303,596
Clubhouse	547,619	543,561
Administrative and general	1,325,102	1,197,325
Homeowners' association dues	32,207	26,596
Utilities	210,733	207,239
Property taxes	108,211	97,615
Insurance	253,386	207,369
Total operating expenses	7,542,003	7,754,447
(Deficiency) excess of revenues over expenses before other revenues (expenses) and other changes in net assets without donor restrictions	(393,518)	217,647

Statement of Activities

Other revenues (expenses):		
Depreciation and amortization (Notes 3 and 5)	(985,764)	(896,071)
Gain on disposition of property and equipment (Note 3)	47,389	12,060
Gain (loss) on change in settlement value on interest rate swap (Note 4)	199,074	(116,567)
Interest expense, net amount capitalized (2025—\$0; 2024—\$7,819)	(119,564)	(147,574)
Insurance proceeds	801,000	-
	(57,865)	(1,148,152)
Deficiency of revenues over expenses before other changes in net assets without donor restrictions, forward	(451,383)	(930,505)
Other changes in net assets without donor restrictions:		
Issuance of membership certificates	1,376,959	712,160
Redemption and transfer of membership certificates	(220,000)	(174,000)
Capital contributions (Note 4)	2,055,222	2,024,515
	3,212,181	2,562,675
Increase in net assets without donor restrictions	2,760,798	1,632,170
Net assets without donor restrictions:		
Beginning	22,455,651	20,823,481
Ending	\$ 25,216,449	\$ 22,455,651

Statement of Cash Flows
December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Increase in net assets without donor restrictions	\$ 2,760,798	\$ 1,632,170
Adjustments to reconcile increase in net assets without donor restrictions to net cash provided by (used in) operating activities:		
Net membership activity	(3,212,181)	(2,562,675)
Depreciation	985,764	896,071
(Loss) gain on change in settlement value of interest rate swap agreement	(199,074)	116,567
Amortization of loan closing costs included in interest expense	7,155	7,155
Gain on disposition of property and equipment	(47,389)	(12,060)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(18,482)	(19,615)
Inventories	67,983	(54,324)
Prepaid expenses	(18,564)	(112,692)
Other assets	-	(15)
Increase (decrease) in:		
Accounts payable	16,231	49,508
Accrued expenses	(66,588)	9,296
Deferred revenue	22,562	5,985
Net cash used in operating activities	298,215	(44,629)
Cash flows from investing activities:		
Disbursements of property and equipment	(5,886,915)	(1,079,348)
Proceeds from the sale of property and equipment	63,908	13,200
Net cash used in investing activities	(5,823,007)	(1,066,148)
Cash flows from financing activities:		
Proceeds from long-term debt	4,745,140	-
Principal payments on long-term debt	(619,235)	(590,725)
Principal payments on finance leases	(186,135)	(124,488)
Proceeds from membership certificates	1,376,959	712,160
Redemption of membership certificates	(220,000)	(174,000)
Capital contributions	2,055,222	2,024,515
Net cash provided by financing activities	7,151,951	1,847,462
Net increase in cash	1,627,159	736,685
Cash and cash equivalents:		
Beginning	3,057,438	2,320,753
Ending	\$ 4,684,597	\$ 3,057,438

Statement of Cash Flows

HOW WE BUDGET AND SET DUES

Budgeting for the mission



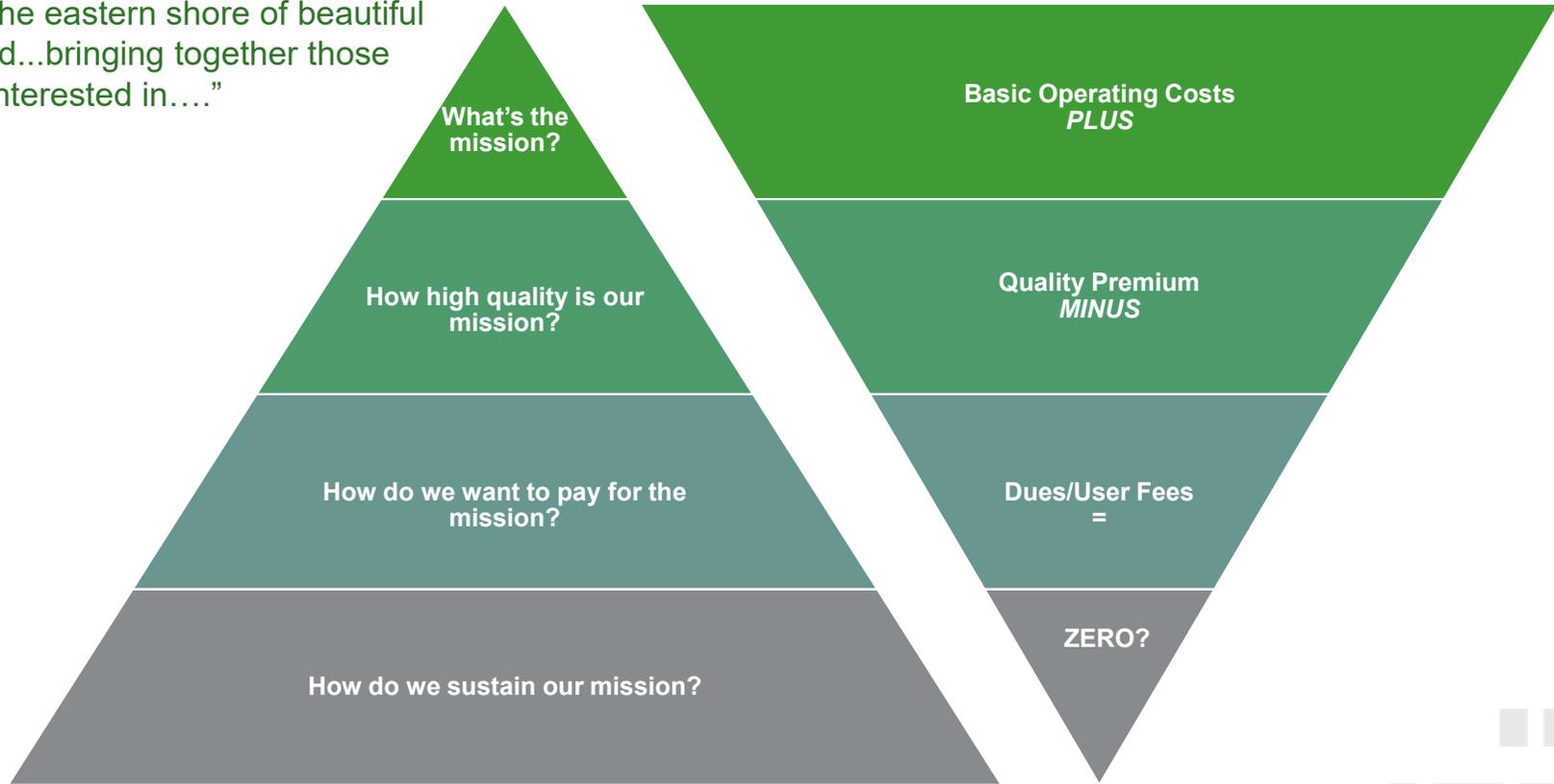
“People who are in financial capacities at nonprofit organizations have to understand that we budget for the mission.”

We don’t change the mission to suit the budget.”

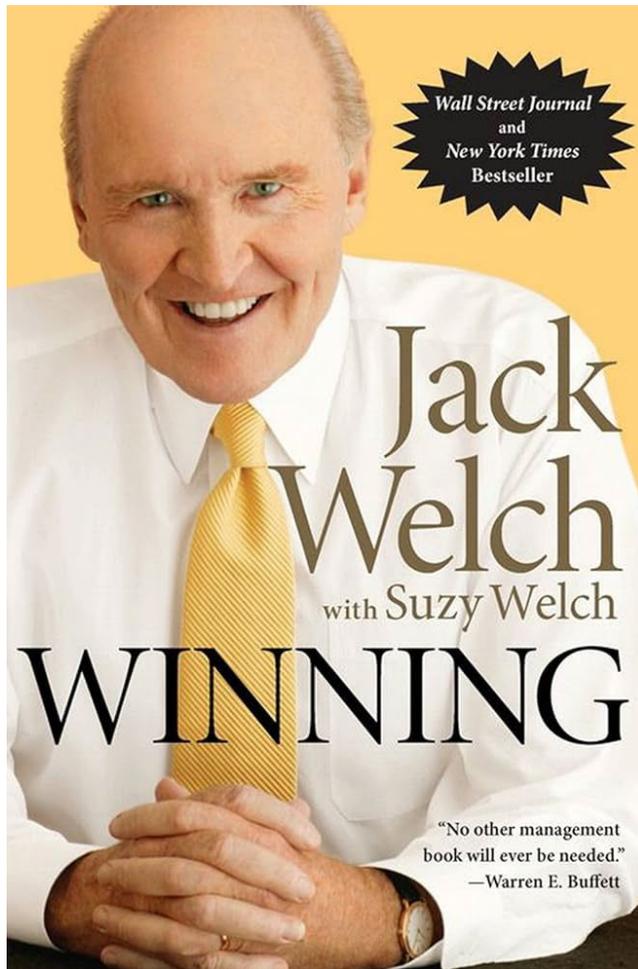
Stanley Corman, former CFO, YWCA

Do you know your mission?

“Experience lakeside living in the quiet Suburbia...on the eastern shore of beautiful Lake Maitland...bringing together those interested in....”



Budgeting – growth focused



Jack Welch on Budgeting in his book “Winning”

“It sucks the energy, time, fun, and big dreams out of an organization. It hides opportunity and stunts growth. It brings out the most unproductive behaviors in an organization, from sandbagging to settling for mediocrity.”

How We Approach Budgeting

Incremental	Zero Based
<ul style="list-style-type: none">• Foundation of the budget is simply the prior years' results.• Managers start the process with prior year's figures as the baseline and adjust based on anticipated needs and circumstances.• Only expenditures over and above the baseline are required to be justified.	<ul style="list-style-type: none">• Budget is created from the ground up or a zero base.• Managers are required to justify every expenditure included in the budget.• Historical results are still used, but only as a guideline not as the foundation of the budget. <p><u><i>This is the fundamental difference between the two concepts.</i></u></p>

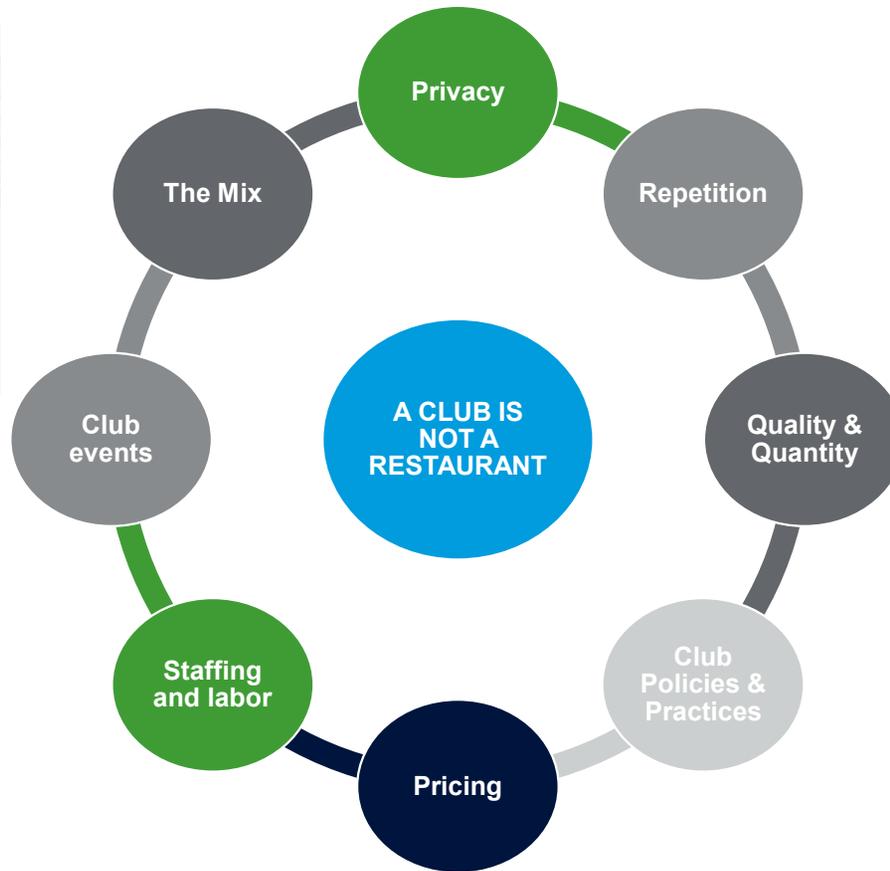
“We’re analyzing what we’re spending and where we’re spending it to determine if the benefit justifies the investment.” – Club CFO ZBB User

Operating Budget Assumption Components

Benchmarks	Budget Drivers	Historical Results
Source multiple trustworthy benchmark data-points.	Dues revenue trends and elasticity. ↑	The past is prologue.
Develop your own captive set of benchmarks.	Full-time equivalent labor impacts and changes. ↑	Build a data library for your club.

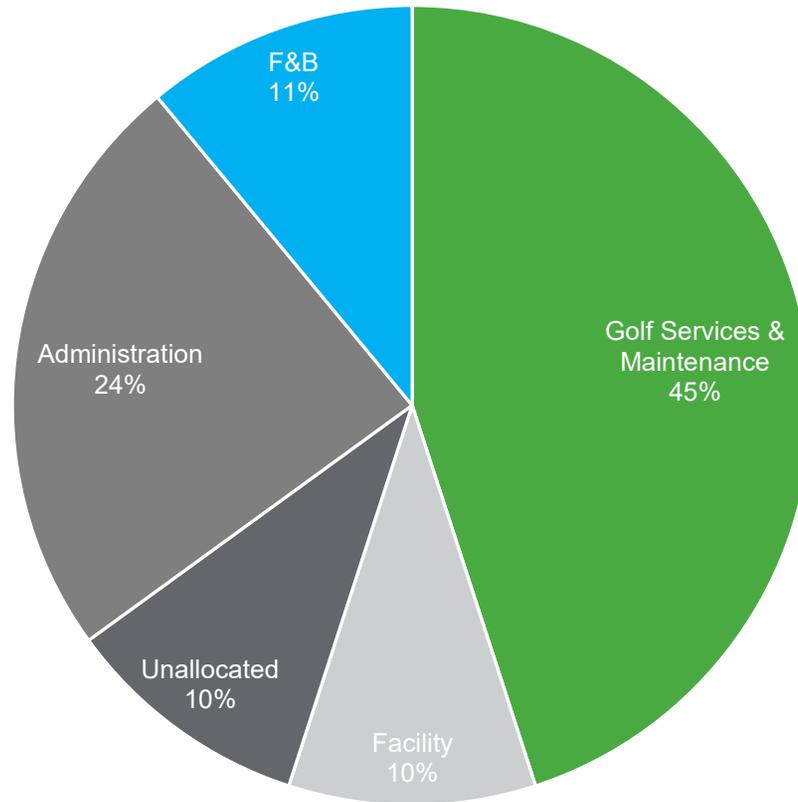


Why Budget a Subsidy for F&B?

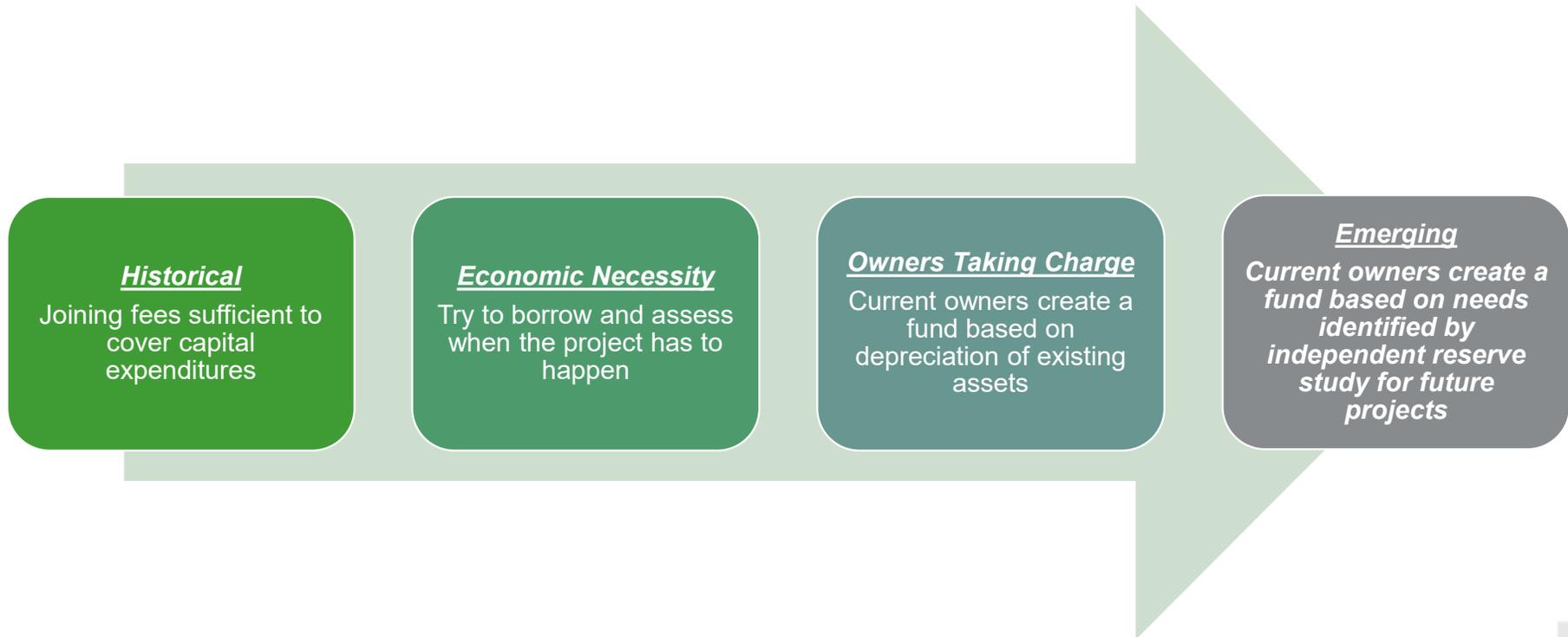


Why Budget a Subsidy in all Departments?

Budgeted Dues Breakdown



Capital Budgeting



*"Does management think the tooth fairy pays for capital expenditures?"
- Warren Buffett*



HOW DO WE KEEP THE
MEMBER'S DOLLAR SAFE

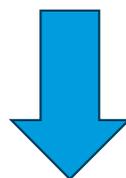
Protecting Your Club from Misappropriation of Assets

Is your budget the greatest control tool at the Club?



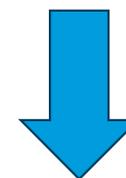
Policies and Procedures

Board Members
Accounting Team



Fraud prevention training

Learn why and how it can happen



Compliance

Track and report

Board Approved Policies and Procedures Manual

The keystone of corporate governance over the accounting function

Board approved policies and procedures create an environment of consistence, regardless of changes in management

Ensures consistency of financial reporting for all periods

Allows Board and management to support accounting methodology decisions

Protects Club from self-interest of specific members of the Board or management

Board Approved Policies and Procedures Manual

Examples of key policies and procedures for Board members:

Organization chart

Conflict of interest policy

Delegation of authority policy

Board/Committees roles and responsibilities

Board Approved Policies and Procedures Manual

Examples of key policies and procedures for the Accounting team:

Vendor approval process

Contract approval and signing policy

Check signing policy

Electronic funds transfer/ACH policy

Credit card policy

Whistleblower policy

Policies for hiring employees, pay changes and terminating employees

Cyber polices and procedures

Anti-fraud training

How We Report Compliance

XXX Club INC
Delegation of Authority Reporting and Monitoring
For Fiscal Year 2022

Reporting Frequency	Description	Date	Amount	Reviewed/Approval						
				Legal	CFO	COO/GM	Treasurer	President	Finance Committee	Board
GENERAL POLICIES										
1.3 Related Party Transactions										
Quarterly	No transactions to report in FY 2022									
BANKING & TREASURY MATTERS										
2.1 Borrowing Funds/Existing Credit Facilities										
Monthly	No transactions to report in FY 2022									
2.2 Borrowing Funds/New Credit Facilities										
Monthly	No transactions to report in FY 2022									
2.3 Lending Funds & Employee Advances										
Pre-approval	No transactions to report in FY 2022									
2.4 Repayment of Borrowed Funds										
Monthly	Renovation Loan Paydown (quarterly review)	1/19/2022	\$ 82,500	NA	1/19/2022	1/19/2022	NA	NA	1/21/2022	1/24/2022
Pre-approval	Renovation Loan Annual Payment (pre-approval for early payment)	5/9/2022	\$ 750,750	NA	NA	NA	NA	NA	NA	4/28/2022
Pre-approval	Renovation Loan Payoff	9/23/2022	\$ 1,271,000	NA	8/23/2022	8/23/2022	NA	NA	8/23/2022	9/15/2022
2.5 Opening/Closing Bank & Custody Accounts										
Quarterly	Morgan Stanley Investment Account	8/19/2022	Opened	NA	8/10/2022	NA	8/10/2022	NA	NA	NA
2.6 Investment of Funds										
Monthly	Investment of excess cash in accordance with investment policy	8/19/2022	\$10,000,000	NA	8/19/2022	8/19/2022	8/19/2022	8/19/2022	8/4/2022	8/10/2022

FY 2022 Delegation of Authority Reporting

3

Reporting Frequency	Description	Date	Amount	Reviewed/Approval						
				Legal	CFO	COO/GM	Treasurer	President	Finance Committee	Board
INVOICE & EXPENDITURE AUTHORITIES										
3.2 Expense Reimbursements										
Annually	Summary of expense reimbursements for all Directors, CFO, COO/GM and Board Members to be reviewed by Treasurer & President	10/19/2022		NA	NA	NA	Summary Emailed 10/19/22	Summary Emailed 10/19/22	NA	NA
3.3 Corporate Credit Cards										
Annually	Credit card statements reviewed by Treasurer or President annually	9/21/2022		NA	NA	NA	Statements emailed	NA	NA	NA
SALE OF CAPITAL ASSETS										
4.1 Sale of Capital Assets										
Quarterly	See FY 2022 Fixed Asset Disposal Detail									
REAL ESTATE MATTERS										
6.1 Purchases & Sales										
Pre-approval	No transactions to report in FY 2022									
6.2 Leases										
Annually	No new leases entered into in FY 2022									
EMPLOYMENT RELATED MATTERS										
7.2 Club Officer & Director Remuneration										
Annually	Compensation Committee review & recommendation to the Board of all remuneration for all Officers & Directors	10/24/2022 (Comp Com Meeting)		NA	NA	NA	NA	NA	NA	10/27/2022 Board Meeting
7.3 Consulting Agreements/Contract Employees										
Pre-approval	No consulting agreements or contract employees > \$50K									
Annually	Disclosure of Consultants paid > \$50K in FY 2022: RSM - Audit and tax filing	FY 2022	\$ 55,685							

FY 2022 Delegation of Authority Reporting

3

How We Report Compliance and Enhancements

Process	Gap	Recommendation	Action Plan
Capital asset inventory	Inventories not currently performed	Perform and document the inventories according to existing policy 5025.	A fixed asset inventory will be scheduled and conducted on an annual basis. Each department will be counted at least once a year and will be reconciled by Accounting at year-end
Vendor master file	No review process or secondary verification for changes to the master file	Implement a form similar to that utilized for the initial addition of new vendors	AP will contact the vendor directly to confirm information changes and submit a New Vendor Form with the requested changes to the DOF for approval
	No periodic review of master file for errors and/or duplicate vendors	Conduct recurring (annual) reviews of the master file for errors and duplicate vendors	A report from Jonas will be run annually to review inactive, stale, or duplicate vendors. DOF or Assistant DOF will sign and date the report and the report will be retained evidencing the completed review

How We Report Compliance and Enhancements

Process	Gap	Recommendation	Action Plan
Employee bonuses	Lacks policy for annual bonuses and bonuses outside of the annual cycle requirements	Update the policies and procedures to include the bonus review and approval processes	Both annual and non-annual bonuses are awarded and approved at the discretion of the Executive Director without the approval of the Finance Committee. COO will provide notice to the Finance Committee before bonuses are awarded to executive level staff.
	Non-annual bonuses are not being approved by the Compensation Committee	Require non-annual bonus cycle to be approved by the Compensation Committee	
New hire 401k enrollment	An employee was not enrolled in the 401k plan after 2 months of service	Perform monthly reconciliations to verify new hires are enrolled in the 401k plan timely	Reconciliation between the 401K report in ADP and the active participants in Lincoln will be completed monthly to verify new employees have been enrolled in the 401k plan

How We Report Compliance and Enhancements

Process	Gap	Recommendation	Action Plan
Information Technology User access privileges	Management is currently not reviewing system roles and permissions on a periodic basis.	Review system roles and permissions on a periodic basis	An updated SOP is being implemented for information management, which will include user role management, quarterly system access reviews, periodic review of system roles and permissions, logging and monitoring of administrator activity, and segregation of duties.
	User access is not reviewed periodically	Review user access on a periodic basis	
	Lack of logging and monitoring of administrator activity in systems	Log and monitor administrator activity in systems	
	Segregation of duties is not monitored	Identify system roles that create a conflict and either mitigate or remove the conflicts	

How We Report Compliance and Enhancements

Process	Gap	Recommendation	Action Plan
Information Security Change Management	Information security policy for users is not reviewed annually	Review the information security policy annually	A complete information security policy package is being developed with the IT network management contractor that will also identify the different financial software platforms in use and how each is being used.
Information Technology 3 rd Party Providers	IT is not obtaining and reviewing the Service Organization Control (SOC) reports for the managed IT services used	Obtain and review all service providers' SOC report for exceptions and map Complementary User Entity Controls to internal controls	

How We Report Compliance and Enhancements

Process	Gap	Recommendation	Action Plan
Purchase Cards	Purchasing thresholds are not being followed for all transactions on Association credit cards	Follow the procurement requirement where anything over \$2,000 requires a PO prior to purchasing	All purchases over \$2,000 require a PO prior to purchase
Capital Asset Maintenance	Formal tracking of preventative maintenance is not implemented	Continue to implement a work order system	A P.M. is in the works and a general plan will be in place before the end of the calendar year 2023
	Time and materials costs are not documented for each scheduled maintenance action		With the implementation of the CMMS (computerized maintenance management system), each work order will track time and material costs

HOW DO WE MEASURE OUR PERFORMANCE

Impactful financial reporting



The Board and Finance Committee should receive financial reporting which best allows decision making for the respective roles



The Finance Committee should have greater detail of financial records to understand and verify the records of the Club are accurately reported



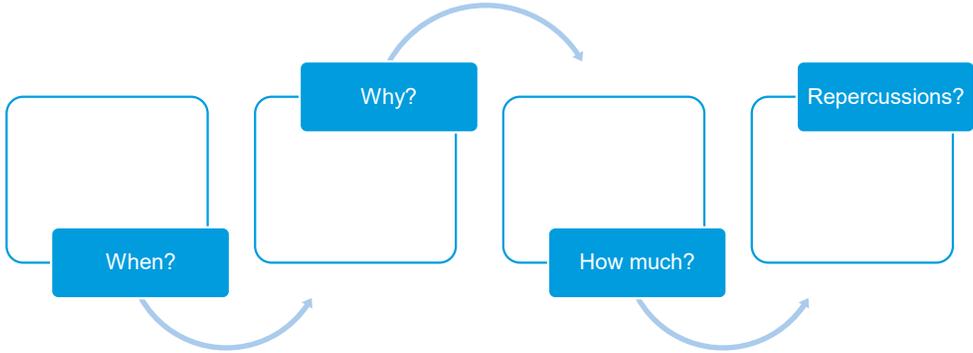
The Board should have lesser detail and more emphasis on key performance indicators or other measurements to assist in strategic decision making of short-term and long-term goals



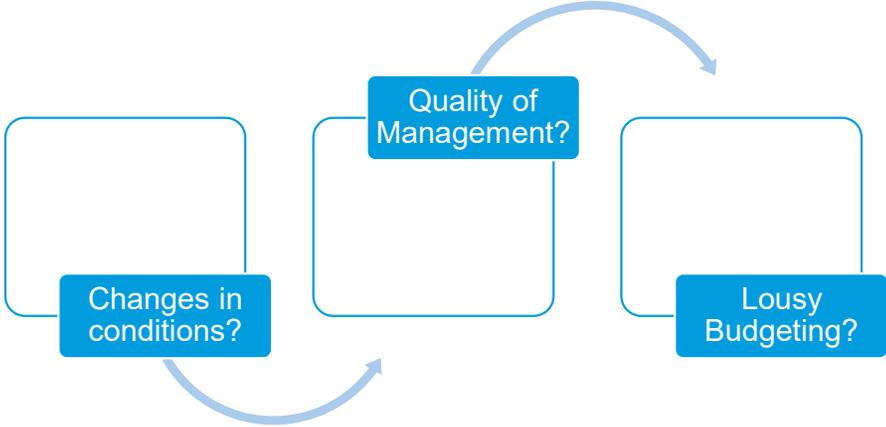
Volume/pages of reporting doesn't dictate quality – each financial reporting package should be reflective of goals and roles

How do we measure our performance?

Budget variances: Do we know?



Reasons or Excuses?



How do we measure our performance

Club Monthly Financial Report

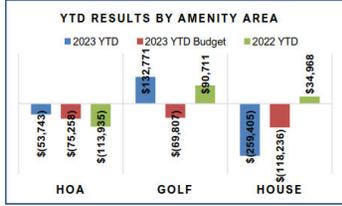
Executive Summary | January 31, 2023

Year to Date Results

Year to date, the Club is favorable to budget overall in operations by \$82,924 which is attributable to favorable performance in most departments with the most significant favorable impact coming from HOA and golf operations, which is offset by unfavorable impact in food and beverage, salon & spa and property insurance.

Club Year to Date Operations

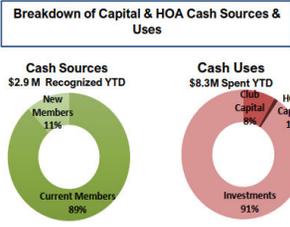
	Actual	Budget	Last Year
Revenues			
\$	9,175,756	9,219,375	8,212,060
Expenses			
\$	9,356,133	9,482,676	8,200,316
Operating Income (Loss)			
\$	(180,377)	(263,301)	11,744



Balance Sheet Snapshot

	1/31/2023	1/31/2022	9/30/2022
Current Assets	\$15,400,638	\$16,017,622	\$17,522,859
Net Property & Eqp.	45,050,376	46,728,352	45,974,981
Other Noncurrent Assets	13,764,016	12,588,802	11,585,769
Total Assets	\$74,215,030	\$75,334,776	\$75,083,609
Current Liabilities	\$12,570,185	\$13,292,207	\$14,540,834
Long-term Liabilities	157,841	1,476,841	-
Equity	61,487,004	60,565,728	60,542,775
Total Liabilities & Equity	\$74,215,030	\$75,334,776	\$75,083,609

	1/31/2023	1/31/2022	9/30/2022
Working Capital	\$ 2,830,453	\$ 2,725,415	\$ 2,982,025
Current Ratio	1.23	1.21	1.21
Member > 90 Days in AR	\$ 35,176	\$ 18,200	\$ 4,756
Debt to Equity Ratio	0.21	0.24	0.24
FME's	590	559	554

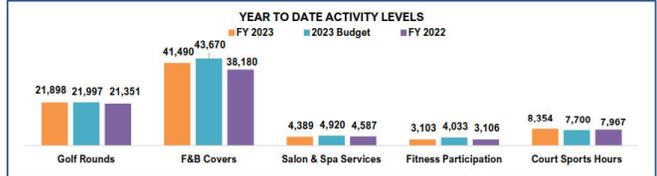


Club Monthly Financial Report

Executive Summary, Continued | January 31, 2023

Operations at a Glance

Year to Date			Year End Forecast		
Actual	Budget	Variance	Forecast	Budget	Variance
\$ (53,743)	\$ (75,258)	\$ 21,515	\$ (23,650)	\$ 1,272	\$ (24,922)
132,772	(69,807)	202,579	144,461	(1,782)	146,243
(259,406)	(118,236)	(141,170)	(332,125)	(42,864)	(289,261)
\$ (180,377)	\$ (263,301)	\$ 82,924	\$ (211,314)	\$ (43,374)	\$ (167,940)



Department Subsidy Ratios

2023 YTD Actual	2023 YTD Budget	2022 YTD Actual
Golf 191.8%	Golf 210.4%	Golf 198.2%
F&B 146.0%	F&B 137.6%	F&B 137.4%
Spa 105.3%	Spa 99.0%	Spa 99.7%
Court Sports 250.5%	Court Sports 296.5%	Court Sports 284.6%
Fitness 148.0%	Fitness 148.4%	Fitness 176.5%

Year to Date Operating Income (Loss) by Department

	2023 Actual	2023 Budget	Var. Fav (Unfav)	2022 Actual
Golf ops (Shop/ GCM/ Bev Cart)	\$(1,313,344)	\$(1,519,264)	\$ 205,920	\$(1,245,063)
Food and beverage	\$(792,023)	\$(695,077)	\$(96,946)	\$(574,381)
Salon & spa	\$(17,392)	\$ 3,647	\$(21,039)	\$ 903
Court sports	\$(104,668)	\$(130,903)	\$ 26,235	\$(115,127)
Fitness	\$(79,221)	\$(85,301)	\$ 6,080	\$(75,021)
Building services	\$(338,676)	\$(333,437)	\$(5,239)	\$(287,164)
Membership	\$(255,403)	\$(214,930)	\$(40,473)	\$(147,898)
Administration	\$(941,095)	\$(966,221)	\$ 25,126	\$(817,443)
Utilities, taxes & ins.	\$(470,349)	\$(446,696)	\$(23,653)	\$(370,965)

Club Monthly Financial Report

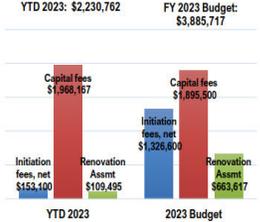
Club Membership & Capital Fund Activity | January 31, 2023

Club Membership Activity

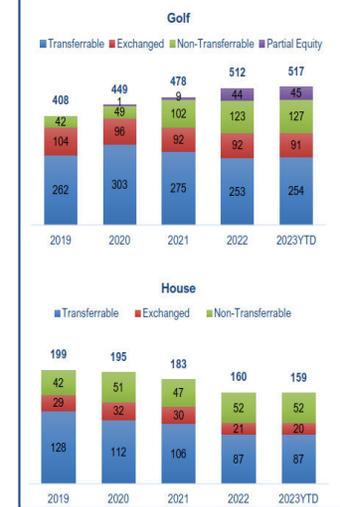
	09/30/22	Activity	1/31/23	Forecast	9/30/23
Golf					
Resident	477	5	482	4	486
Non Resident	35	0	35	0	35
Tee it Up	0	0	0	0	0
Pendings	10	-3	7	-4	3
	522	2	524	0	524
House					
Legends	4	0	4	0	4
Resident	145	-3	142	-4	146
Non Resident	7	1	8	0	8
Prev/Legends	4	1	5	0	5
	160	-1	159	-4	163
	662	1	663	-4	667

Club Capital Fund

Club Capital Sources



Membership Classifications



Initiation & Transfer Fee Impact

	#	\$\$	#	\$\$
NonTransferrable	2	\$ 322,600	0	\$ -
Upgrade	4	445,300	0	-
Exchanged	0	-	0	-
Transferrable	4	80,000	1	7,500
	10	847,900	1	7,500
Refunds				
Exchanged	1	(66,000)	0	-
Resign List	2	(306,000)	0	-
QWDC Buyout	6	(360,000)		
Other, net	2	6,200	0	-
	11	(725,800)	0	-
Net		\$ 122,100		\$ 7,500

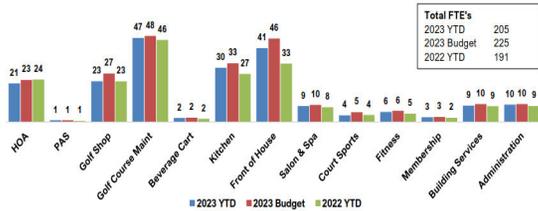


How do we measure our performance

Club Monthly Financial Report

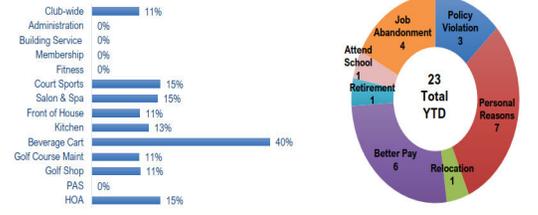
Staffing Update | January 31, 2023

Fulltime Equivalents by Department - Includes contract labor for GCM & HOA



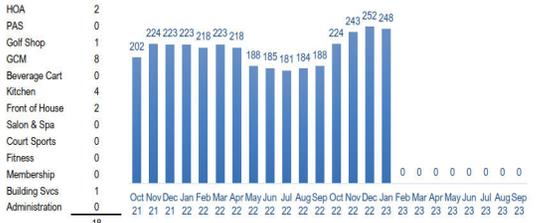
Turnover Rate by Department YTD FY 2023

Turnover Reasons



Current Vacancies (as of mid-February)

Month End Headcount Since Oct 2021



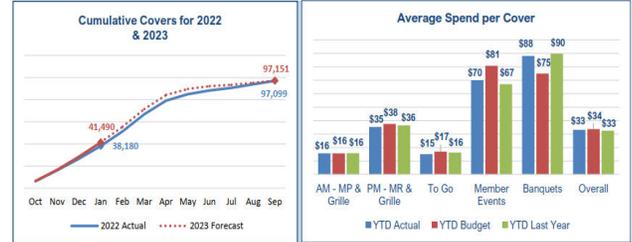
Club Monthly Financial Report

Operations & Variance Discussion, Continued | January 31, 2023

FOOD & BEVERAGE

M/E Act	M/E Budget	M/E LY	Revenues	YTD Act	YTD Budget	YTD LY	Budget	Forecast
\$ 514,905	\$ 574,819	\$ 449,149		\$ 1,723,115	\$ 1,851,019	\$ 1,535,476	\$ 4,197,760	\$ 4,020,856
(676,909)	(722,814)	(598,343)	Expenses	(2,515,138)	(2,546,096)	(2,109,857)	(6,247,762)	(6,198,854)
\$ (162,004)	\$ (147,995)	\$ (149,194)	Net inc (exp)	\$ (792,023)	\$ (695,077)	\$ (574,381)	\$ (2,050,002)	\$ (12,177,998)

	2023 YTD	2023 Budget	2022 YTD
Subsidy ratio	131.5%	125.7%	133.2%
Cost of sales %	43.0%	44.1%	40.7%
Hourly labor to sales	44.4%	42.2%	44.1%
Comp F&B to Rev	0.5%	0.5%	0.6%



Can you spell K.P.I.?



**Universal Key Club Performance Indicators
White Paper**



**CLUB
MANAGEMENT
ASSOCIATION
OF AMERICA**

CMAA: Universal Key Club Performance Indicators	
Change in Net Assets (Member's Equity) Over Time	$\frac{\text{Ending Net Assets} - \text{Beginning Net Assets}}{\text{Beginning Net Assets}}$
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Members' Net Assets (Total Equity)}}$
Net PP&E (Property, Plant and Equipment) Ratio	$\frac{(\text{Net PP\&E} - \text{land})}{(\text{Gross PP\&E} - \text{land})}$
Change in Full Member Equivalents	$\frac{\text{Change in: Annual Dues Revenues}}{\text{Annual Dues for a Full Member}}$
Dues to Operating Revenue	$\frac{\text{Operating Membership Dues Revenue}}{\text{Total Operating Revenue}}$

The Tyranny of Metrics...

**THERE ARE FEWER CALORIES
IN A GLASS OF WHISKEY
THAN IN A BANANA**



90 CALORIES



105 CALORIES

CHOOSE WISELY...

Building Trust - Making the board “Ambassadors of Truth”

1. What type of club are we?
2. How we budget and set dues
3. How we keep the members' dollars safe
4. How we measure our performance

Resources for your club

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01

Economics, operations and strategy

A healthy bottom line is a goal for most clubs. Membership dues, joining fees, operating revenues and payroll expenses all need oversight to assess financial health. We'll help you stay abreast of the economic roller coaster so you can control costs, comply with regulatory requirements and more.

[The Real Economy Blog](#)

02

Workforce strategy

To navigate an increasingly complex talent environment, private clubs need to stay ahead of the trends affecting the workforce. Our tax insights and human capital services can optimize your key human resources technology and processes to help your ideal environment to attract, develop and retain employees.

[RSM Middle Market Business Index Special Report: Workforce 2025](#)

03

Construction

Construction projects are measured by a standard yardstick: Was it on time, within budget and according to specifications? Answering these questions can be a tall order if your internal team doesn't include an experienced construction auditor who can help reduce risks inherent in your construction project.

04

Artificial intelligence and cybersecurity

Generative AI is rapidly changing how clubs of all sizes do business. Get insights to capitalize on opportunities while addressing risks. And our annual insights into cybersecurity trends, strategies and concerns help you stay informed of the complex risk environment.

[RSM Middle Market AI Survey 2025](#) | [RSM US MMBI Special Report: Cybersecurity 2025](#)

Questions?

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