

WAWASHKAMO GOLF CLUB

MEMORANDUM TO THE BOARD & MEMBERSHIP

Subject: Financial Results — January through July 2026 Compared with 2025

1. Executive Summary

For the first seven months of 2026, the Club reported net income of \$100,339 compared with \$294,810 for the same period in 2025, a decline of \$194,470.

The year-over-year comparison is less concerning than it appears at first glance. In 2025, the Club received \$122,100 in Heritage Building Project capital gifts. Those gifts were tied to a special campaign and did not recur in 2026.

Key takeaway: Wawashkamo remains profitable, member dues are stable, and annual giving was very strong.

2. Revenue Performance

Excluding the one-time 2025 capital gift, total operating revenue increased from \$488,086 to \$497,705, an improvement of \$9,619.

Positive indicators:

- Annual giving increased, and additional gifts were received in August that will be reflected once the August financials are closed.
- Membership dues remained stable, increasing to \$209,050 from \$202,984, a gain of \$6,066.

Areas of decrease:

- Green fees declined \$13,230, or 29%, to \$32,376, suggesting fewer guests and outside rounds.
- Cart, club, locker, and storage rental revenue declined \$4,524, or 7%.

3. Expense Growth

Total expenses increased from the prior year, mainly due to inflationary cost increases for supplies and the addition of two employees.

Repairs, services, professional fees, and interest. Clubhouse repairs increased \$6,818; grounds repairs increased \$9,115; outside contract services increased \$13,351; and professional fees increased \$8,305. Due to the Club's fundraising activity, the Club is now required to obtain an independent outside review of its financial statements.

4. Weather Impact

Weather affected the start of the season and contributed to certain repair costs (sinkholes).

- Spring 2026 was colder and significantly snowier than 2025, with 35.0 inches of snow compared with 22.4 inches in 2025. May 2026 averaged 48.3 degrees, nearly 4 degrees below normal, delaying green-up and the start of play.
- April 2026 brought severe regional flooding in northern Michigan, with emergencies declared in 40 counties, including nearby Cheboygan County. This contributed to higher grounds repair, irrigation, and contract service costs.

Conclusion: Weather delayed the season and increased repair costs, contributing to lower green fees and pro shop revenue.