June Financial Highlights

Key Items

Month of June	2020	2019	2018
Net Profit (loss)	$10,555	$(4,934)	$507
Net Profit (loss) without PPP	$(3,736)	$(4,934)	$507
Gross Income	$40,119	$71,092	$72,966
Food and Beverage Sales	$20,192	$41,976	$40,428
Salaries and Wages – Gross	$20,195	$30,429	$27,348
Salary reduction from PPP	$20,195	-	-
GF Salary Reimbursement	$0	$(4,583)	$(4,000)

Funding of $52,362 was received from the Payroll Protection Program (PPP) during May 2020. The PPP fully funded gross payroll costs and certain payroll taxes of $20,491 for the month of June 2020 which resulted in a net profit of $10,555 for the month. A net (loss) of $(3,736) would have been reported without the benefit of PPP funding. There are $31,871 in PPP funds remaining that will be utilized to reduce payroll costs during future months. **Please refer to the PPP Funding Summary on page 10 of the House Report.**

Year-to-Date	2020	2019	2018
Net (loss)	$(22,986)	$(40,363)	$(24,392)
Net (loss) without PPP	$(37,277)	$(40,363)	$(24,392)
Gross Income	$98,585	$235,606	$230,104
Restaurant Sales	$72,559	$191,240	$188,430
Restaurant Net (loss)	$(25,934)	$(40,219)	N/A
Restaurant Net (loss) without PPP	$(40,809)	$(40,219)	N/A

The reported YTD net loss for 2020 was significantly improved due to the PPP funding. Without such funding the loss would have been essentially the same as the 2019 loss, however, it would have been approximately 50% greater than the loss reported in 2018.

March – May Financial Highlights

A summary of the key items for the months of March, April and May 2020 followed by a Year-to-Date summary through May are listed below. The House incurred a net (loss) of $(17,569) for the three months ended May 31, 2020 compared to a net (loss) of $(10,655) for the same period in 2019. This was primarily caused by the House being closed beginning in the first half of March.

Key Items

Month of March	2020	2019	2018
Net (loss)	$(11,109)	$(5,551)	$(4,823)
Gross Income	$11,137	$30,317	$26,388
Food and Beverage Sales	$9,312	$23,524	$21,229
Salaries and Wages	$16,492	$17,722	$16,856

Gross income was greatly reduced during March 2020 due to the closure while salaries and wages were incurred for the full month resulting in a higher net loss.

Month of April	2020	2019	2018
Net (loss)	$(6,877)	$(7,432)	$(5,961)
Gross Income	$0	$29,006	$27,779
Food and Beverage Sales	$0	$24,955	$25,423
Salaries and Wages	$7,972	$18,678	$17,979

Gross income was $0 during April 2020 due to the closure while salaries and wages were incurred primarily for the Steward for the first payroll period of the month.

Month of May	2020	2019	2018
Net profit (loss)	$417	$2,328	$1,527
Gross Income	$5,321	$67,242	$58,166
Food and Beverage Sales	$0	$39,294	$37,421
Salaries and Wages	$0	$23,638	$24,257

The small net profit for 2020 resulted from a net profit from fuel sales with no salaries or wages and only small operating costs.

Year-to-Date May	2020	2019	2018
Net (loss)	$(33,541)	$(35,429)	$(24,899)
Gross Income	$58,466	$164,514	$157,138
Food and Beverage Sales	$45,401	$120,872	$120,026
Salaries and Payroll Taxes	$63,215	$106,397	$101,262
Restaurant Net (loss)	$(32,016)	$(31,741)	N/A

Gross income for 2020 declined 65% compared to 2019, however the savings from lower salaries and wages and operating costs were sufficient to offset the decline resulting in a small improvement in the YTD net loss.

February Financial Highlights

Key Items

Month of February	2020	2019	2018
Net (loss)	$(6,619)	$(12,415)	$(5,576)
Gross Income	$22,174	$17,101	$24,959
Food Sales	$5,890	$4,363	$4,211
Food Cost of Goods Sold	58.15%	78.94%	60.39%

The 2020 earnings improvement primarily resulted from a 30% increase in gross revenue combined with a significant reduction in the cost of goods sold for food.

Year-to-Date	2020	2019	2018
Net (loss)	$(15,972)	$(24,774)	$(15,642)
Gross Income	$42,008	$37,949	$44,805
Bar Sales	$23,140	$21,705	$26,833
Food Sales	$12,949	$11,394	$9,120
Restaurant Net (loss)	$(13,921)	$(20,383)	N/A

Please note that the Income/Loss by Profit Center on Page 4 has been reclassified for 2020 and 2019 to report the results for the Restaurant, Marina and Membership/Office Administration separately. Payroll and operating expenses are now classified by profit enter to more properly report the results from House operations.

January Financial Highlights

The House reported a net loss of $(9,353) for the month of January 2020, compared to a net loss of ($12,359) for January 2019 and a net loss of $(10,066) for January 2018.

Gross revenue for January 2020 was $19,834 a decline of nearly 5% from the $20,848 reported in 2019. The improved loss in 2020 resulted primarily from a reduction in wages due to the chef not being employed for the full month of January.

Please note that the Income/Loss by Profit Center on Page 4 has been reclassified for 2020 to report the results for the Restaurant, Marina and Membership/Office Administration separately. Payroll and operating expenses are now classified by profit enter to more properly report the results from House operations.

2019 Year in Review and Comparative House Performance Analysis

The House reported a net loss of $(50,749) compared to a reported net loss of $(23,176) for 2018 and a reported net loss of $(22,983) for 2017. The significantly increased loss for 2019 is primarily the result of a more than a $21,000 decline (13%) in the gross profit from bar sales and a $9,000 decline (38%) in transient fees. The increase in the cost of goods sold for food was offset by a decrease in salaries by no longer employing a chef.

2019 Net Loss Components

The House net loss consists of a significant loss from restaurant operations (bar, food service, club functions and catering), partially offset by a net profit from the marina (fuel and transient fees). The loss also includes the cost the House incurs for providing Membership services on behalf of the club that are only partially reimbursed by the General Fund in 2019. The Membership cost will be fully funded in 2020.

The 2019 net loss components are as follows:

	Restaurant	Marina	Membership	Total
Net Profit (Loss) before GF Funding	(78,565)	29,316	(38,500)	(87,749)
Funding from GF	-	12,000	25,000	37,000
Reported Net Profit (Loss)	(78,565)	41,316	(13,500)	(50,749)

The net loss from the restaurant is clearly the substantial element in the overall net loss resulting from a continued negative performance trend as discussed further below.

Negative Restaurant Performance Trend (Refer to Bar Chart on Page 3)

The net loss from restaurant operations has continued to increase over the past several years. The trend results from a significant decline in gross sales combined with increased cost of goods sold and the increased minimum wage. Gross sales have declined sharply from a high of $482,000 in 2015 to $412,000 in 2019.

The minimum wage increase continues to adversely impact the House financial results, primarily in the restaurant operation. Staff wages have increased by $10,000 to $12,000 each of the past three years. The wage increase over the next three years will serve to substantially increase the restaurant loss without a strategy to reduce staff labor costs.

A continued revenue decline combined with known increases in operating expenses will likely result in an increase in the net loss from restaurant operations from the current $78,500 to more than $100,000 per year by 2021. At the current rate of increase, the restaurant loss would be estimated to exceed $1 million over the next eight years.

The House Committee will need to consider alternatives to the current restaurant operation in order to avoid incurring substantial projected losses. The implementation of a restaurant operating and service plan to substantially increase the gross sales through member participation combined with meaningful labor cost reduction will be necessary to achieve positive results.

Comparative Profit (Loss) Analysis 2014-2019 (Refer to Bar Chart on Page 4)

Over the past five years, the House has received increasingly higher amounts from the General Fund to fund the cost of membership related services that the House has performed on behalf of the Club. In the past two years all transient fees have been recorded as income by the House. Therefore, comparing the 2019 loss to the reported prior year net losses can be misleading.

The following table presents a more effective comparison of the 2019 loss to the losses reported over the past five years. The **comparative profit (loss)** is the amount that would have been reported had the 2019 funding from the General Fund been received in **each** year and **all** transient fees were recorded as income as they were in 2019.

Description	2019	2018	2017	2016	2015	2014
Reported Profit (loss)	(50,749)	(23,176)	(22,983)	(58,790)	(4,979)	(22,971)
GF Funding/Transient fees	-	2,000	15,095	20,319	24,320	27,000
Comparative Profit (Loss)	(50,749)	(21,176)	(7,888)	(38,471)	19,341	4,029

The 2019 net loss of $(50,749) is a much higher loss on a comparative basis than all prior years, despite the General Fund providing $37,000 in funding. The 2019 net loss would have been substantially greater without the additional funding.

December Financial Highlights

Month of December

The House reported a net loss of $(6,846) for the month of December 2019, compared to a net loss of ($14,889) for December 2018 and a net loss of $(7,793) for November 2017.

Gross revenue for December 2019 was $21,267 a decline of nearly 35% from the $31,953 reported in 2018. The improved loss resulted from significant reductions in the cost of goods from food and wages due to having no chef or line cook for most of the month.

November Financial Highlights

Month of November

The House reported a net loss of $(9,685) for the month of November 2019, compared to a net loss of ($233) for November 2018 and a net loss of $(1,303) for November 2017.

The substantially higher loss in November 2019 resulted from a sharp decline in gross revenue compared to historical November results. Gross revenue for the month declined more than 50% from $46,531 in 2018 to $21,676 in 2019. The expected gross revenue is $40,000.

November Gross Revenue Comparison

Item	Nov 2019	Nov 2018	Decline	%
Bar	$12,151	$17,518	$(5,367)	30.6
Food	6,218	10,594	(4,376)	41.3
Club Functions	234	4,909	(4,675)	95.2
Catering	2,994	7,458	(4,464)	59.9
Transient Fees	-	3,815	(3,815)	100.0
Fuel	51	2,181	(2,130)	97.7
Ship's Store	28	56	(28)	50.0
	$21,676	$46,531	($24,855)	53.4

The decline in gross revenue was partially offset by a 20% reduction in total expenses from $24,106 in November 2018 to $19,165 in 2019. The improvement was primarily due to a reduction in gross payroll costs due to no longer employing a full-time chef.

Year-To-Date

The year to date loss through November 2019 is $(43,903) compared to a loss of $(8,287) for 2018 and a loss of $(15,190) for 2017.

The increased loss of $35,616 in 2019 results primarily from a $19,132 reduction in gross profit from bar sales, a $9,074 reduction in transient fees and an approximate $10,000 increase in staff wages due to the increased minimum wage.

October Financial Highlights

Month of October

The House reported a net profit of $1,057 for the month of October 2019, compared to a net profit of $396 for October 2018 and a net loss of $(4,549) for October 2017.

Gross revenue in October 2019 increased marginally over 2018. Combined revenue from club functions and catering increased significantly from $5,406 in October 2018 to $10,267 in 2019. Food revenue declined slightly due to the higher sales volume from club functions.

Total expenses for October 2019 also declined roughly 5% compared to 2018, primarily due to a reduction in gross payroll costs for 2019 due to no longer employing a full-time chef.

Year-To-Date

The year to date loss through October 2019 is $(34,218) compared to a loss of $(8,054) for 2018 and a loss of $(13,887) for 2017.

Total revenue from restaurant sales for 2019 has remained constant with 2018, however bar sales have declined nearly $15,000 during 2019 partially offset by increased catering revenue.

The increased loss in 2019 of $26,164 results primarily from a $15,000 reduction in gross profit from bar sales, a $5,000 reduction in transient fees and increased staff wages.

Gross payroll costs for 2019 are $2,152 less than 2018. The reduction resulted from increases in staff wages offset by the salary costs of not employing a chef during the summer.

September Financial Highlights

Month of September

The House reported a net profit of $2,792 for the month of September 2019, compared to a net profit of $2,701 for September 2018 and a net profit of $3,219 for September 2017.

Although the 2019 net profit is slightly higher than 2018, total food and beverage revenue declined significantly from $40,793 in 2018 to $31,419 in September 2019. Food revenue declined nearly 35% from $17,293 to $11,363 during the same period.

Total expenses for September 2019 also declined nearly 18% compared to 2018, primarily due to a $3,850 reduction in gross payroll costs for 2019. The payroll cost savings resulted from a reduction in staff hours and no longer employing a full-time chef.

Year-To-Date

The year to date loss through September 2019 is $(31,429) compared to a loss of $(8,450) for 2018 and a loss of $(9,338) for 2017.

The additional loss in 2019 results from a $14,000 reduction in gross profit from bar sales and $15,000 from food sales offset by a $4,500 increase in gross profit from catering due to a 70% increase in catering sales compared to 2018.

Total expenses, including payroll costs, declined nearly $7,500 resulting from a higher reimbursement from the General Fund and no longer employing a full-time chef.

August Financial Highlights

Month of August

The House reported a net profit of $6,456 for the month of August 2019, compared to a net profit of $12,821 for August 2018 and a net profit of $9,469 for August 2017.

The smaller profit primarily resulted from a $9,024 decline in gross profit from $44,036 in August 2018 to $35,012 in 2019 caused by a decline in revenue and a corresponding increase in cost of goods sold.

Total food and beverage revenue declined significantly from $52,125 in 2018 to $45,421 in August 2019. Food revenue declined from $22,831 to $19,811 during the same period.

The cost of goods sold for food was 85% which represents the contractual cost paid to the food service/chef.

Gross payroll costs for 2019 were approximately $2,500 less due primarily to no longer employing a full-time chef.

Year-To-Date

The year to date loss through August 2019 was $(34,221) compared to a loss of $(11,151) for 2018 and a loss of $(12,557) for 2017.

The additional loss in 2019 is due almost exclusively to a $21,270 higher cost of goods sold for food and bar in 2019 on virtually the same gross revenue as 2018.

Total expenses, including payroll costs, declined nearly $2,500 resulting from a higher reimbursement from the General Fund and no longer employing a full-time chef.

Summer Season

The months of June through August have historically represented the most profitable months of the year due to a much higher sales volume in the restaurant, transient fees, and fuel. The net profit for the three-month period ended August 31, 2019 was slightly more than break even. This is an alarming result that continues a downward earnings trend primarily due to a continued revenue decline combined with increasing costs. The House Committee will need to formulate a viable operating plan to improve the results of operations.

Please review the Summer Season bar chart on the last page of the House Report.

July Financial Highlights

Month of July

The House reported a net loss of $(314) for the month of July 2019, compared to a net profit of $420 for July 2018 and a net profit of $4,543 for July 2017.

The recent reduction in the member selling price for fuel was a significant factor in the reported loss. The price reduction lowered the gross profit on the sale of fuel from 22% to 18%, which reduced the gross profit by approximately $1,550. Without the fuel price reduction, a $1,236 net profit would have been reported for the month.

Gross revenue other than fuel for July 2019 remained consistent with July 2018. Food and bar sales increased slightly over 2018, while transient fees increased more than 25%.

The cost of goods sold for food was 85% which represents the contractual cost paid to the food service/chef.

Gross payroll costs for 2019 were approximately $1,200 less due primarily to no longer having a chef on the payroll.

Year-To-Date

The year to date loss through July 2019 was $(40,677) compared to a loss of $(23,972) for 2018 and a loss of $(22,026) for 2017.

YTD gross revenue declined slightly compared to 2018. Total operating expenses in 2019, including wage costs were essentially identical to 2018.

The additional loss in 2019 is due almost exclusively to the higher cost of goods sold of $15,300 consisting primarily of food, bar, and catering.

Although YTD food sales for 2019 increased by more than $10,000 or 15% over 2018, the food gross profit declined by nearly $3,200 due to significantly higher cost of goods sold in 2019. However, the lower wage costs by not employing a chef will begin to offset this decline.

YTD bar sales for 2019 declined $6,800 or 5% compared to 2018.

June Financial Highlights

Month of June

The House reported a net loss of $(2,854) for the month of June 2019, compared to a net profit of $507 for June 2018 and a net profit of $6,167 for June 2017.

The June 2019 loss primarily resulted from the continued higher cost of goods sold for food which lead to the replacement of the chef combined with increased wage costs. Wages increased from $27,348 in June 2018 to $30,429 in June 2019. The increase resulted from severance pay to the former chef of approximately $1,400 combined with the increased cost of staffing due to the higher minimum wage and a marginal increase in staff hours.

Gross revenue for June 2019 remained consistent with June 2018. Food sales increased nearly 14%, bar sales remained stable, while transient fees and club functions revenues declined marginally.

Total operating expenses in June 2019, including payroll were $1,650 higher or 3.6% more than 2018.

Year-To-Date

The year to date loss through June 2019 was $(38,283) compared to a loss of $(24,3921) for 2018 and a loss of $(26,569) for 2017.

YTD gross revenue increased from $230,104 in 2018 to $237,686 in 2019.

Although YTD food sales for 2019 increased $9,000 or 17% over 2018, the food gross profit declined by nearly $1,900 due to significantly higher cost of goods sold in 2019.

YTD bar sales for 2019 declined $6,500 or 6% compared to 2018.

Total expenses in 2019, including wage costs increased marginally by $4,369 or 3.0% over 2018.

May Financial Highlights

Month of May

The House reported a net profit of $2,328 for the month of May 2019, compared to a net profit of $1,527 for May 2018 and a net profit of $2,612 for May 2017.

Gross revenue for May 2019 was $67,242, a 15% increase over 2018. The increase primarily resulted from a higher sales volume in food, club functions, transient fees and fuel.

Cost of goods sold for food remained consistently high at 68% as compared to the desired cost of 50%

Total operating expenses in May 2019, including payroll were $1,332 or 5% less than 2018.

Year-To-Date

The year to date loss through May 2019 was $(35,429) compared to a loss of $(24,889) for 2018 and a loss of $(32,736) for 2017.

YTD gross revenue increased from $157,138 in 2018 to $164,514 in 2019.

Although YTD food sales for 2019 increased nearly 20% over 2018, an increase of $6,800, the food gross profit declined by nearly $1,600 due to significantly higher cost of goods sold in 2019.

YTD bar sales for 2019 declined $6,000 or 7.6% compared to 2018.

Total expenses in 2019, including wage costs increased marginally by $2,718 or only 2.5% over 2018.

April Financial Highlights

Month of April

The House reported a net loss of $(7,432) for the month of April 2019, compared to a net loss of $(5,961) for April 2018 and a net loss of $(3,543) for April 2017.

Total food and beverage sales for April 2019 increased marginally (1.7%) over 2018. However, beer sales increased $1,245 (18%), while liquor sales declined $1,800 (27%).

Total operating expenses, including wage costs were comparable in both years.

Year-To-Date

The year to date loss through April 2019 was $(37,757) compared to a loss of $(26,426) for 2018 and a loss of $(35,348) for 2017.

Although YTD food sales for 2019 increased 22% over 2018, an increase of $5,139, the food gross profit declined by $800 due to significantly higher cost of goods sold in 2019.

YTD bar sales for 2019 declined 10% or $6,166 compared to 2018.

Total expenses in 2019, including wage costs increased $4,050 or only 5% over 2018.

March Financial Highlights

Month of March

The House reported a net loss of $(5,551) for the month of March, compared to a net loss of $(4,823) for March 2018 and a net loss of $(8,871) for February 2017.

March food sales were $7,998 in 2019 compared to $5,450 in 2018, a 32% increase. March food costs improved to 58% of sales resulting from better purchasing and utilization of inventory.

Catering revenue increased approximately 50% from $2,818 last March to $5,635 in 2019.

Operating expenses were only slightly higher in 2019.

Year-To-Date

The year to date loss through February 2019 was $(30,525) compared to a loss of $(20,465) for 2018 and a loss of $(31,805) for 2017.

First quarter food sales for 2019 increased 33% over 2018, an increase of $4,800. However, food gross profit increased only marginally due to a significantly higher cost of goods sold in 2019.

Club functions revenue declined 33% or $2,558 compared to 2018.

Payroll costs in 2019 increased nearly $6,300 or 12% over 2018.

February Financial Highlights

Month of February

The House reported a net loss of $(12,415) for the month of February, compared to a net loss of $(5,576) for February 2018 and a net loss of $(8,740) for February 2017.

Beverage sales during February 2019 declined by 30% from $14,666 in 2018 to $10,165 in 2018. Food sales were relatively stable. The February gross profit declined nearly $4,700 or 37% compared to 2018. Payroll costs for 2019 increased by approximately $1,500 compared to 2018.

Year-To-Date

The year to date loss through February 2019 was $(24,774) compared to a loss of $(15,642) for 2018.

Gross sales in 2018 declined 15% from $44,805 in 2018 to $37,949 in 2019. Beverage and catering sales declined substantially, while food sales increased 25%.

Payroll costs in 2019 increased approximately $3,200 over 2018.

Three Month Results

The three-month period from December through February normally represents the months in which the House incurs the largest operating losses of the year. The net loss for this period in 2019 was $(39,663) compared to a loss of $(24,435) in 2018, an increased loss of $15,228 or 62%.

January Financial Highlights

The House reported a net loss of $(12,359) for the month of January, compared to a net loss of $(10,066) for January 2018 and a net loss of $(14,194) for January 2017.

The increased loss in 2019 is primarily due to an increase in wages from $16,843 in 2018 to $18,952 in 2019. Roughly 40% of the increased wages is due to the increase in the minimum wage.

Gross food revenue increased dramatically from $4,909 in 2018 to $7,031 in 2019, an increase of 43%. However, an increased cost of goods sold provided only a marginal increase in gross profit.

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December Financial Highlights

The House reported a net loss of $(14,889) for the month of December, compared to a net loss of $(7,793) for December 2017 and a net loss of $(13,881) for December 2016.

The factors that resulted in the significant December net loss included:

- Operating expenses for December 2018 were $5,500 higher than 2017 primarily due to increased wages.
- Gross profit for December 2018 was $1,600 lower than 2017 primarily resulting from the cost of food exceeding 75% of food revenue compared to 65% for the first eleven months of 2018.
- Gross revenue declined marginally in 2018 compared to 2017.

2018 Yearly Financial Highlights

The year to date 2018 net loss is ($23,176) compared to ($9,888) for 2017, as adjusted to report transient fees and general fund reimbursements for office salaries in the same manner as 2018. The actual reported loss for 2017 was $(22,983).

The total food and bar (restaurant/catering) gross profit for 2018 was $12,750 less than 2017 due to a corresponding reduction in gross revenue.

Transient fees for 2018 increased by $5,100 over 2017. The gross profit from fuel sales were essentially identical for both years.

Gross payroll for 2018 was $6,600 higher than 2017, an increase of only 2.3% despite the increase in the minimum wage.

Operating expenses for 2018 declined $1,000

November Financial Highlights

The House reported a net loss of $(233) for the month of November, compared to a net loss of $(1,303) for November 2017 and a net loss of $(4,972) for November 2016. Except for a small profit in 2013, this was the best performance by the House for the month of November during the years 2010 to present.

The significant factors that resulted in the minimal net loss included:

- The gross profit from catering was $2,867 on gross revenue of $7,458
- Significant transient fee revenue of $3,815
- Food sales were $10,594, a 25% increase over November 2017.

The 2018 year to date net loss through November is ($8,287) compared to ($3,495) for 2017, as adjusted to report transient fees and general fund reimbursements for office salaries in the same manner as 2018. The actual reported loss year to date loss through November 2017 was $(15,190).

October Financial Highlights

The House reported a net profit of $396 for the month of October, compared to a net loss of $(4,549) for October 2017 and a net loss of $(8,340) for October 2016. A net loss was also reported for the month of October during the years from 2010-2015.

The October 2018 net profit was achieved despite the normal seasonal reduction in fuel and transient fees. Other significant factors include:

- Food sales were $12,762, a nearly 25% increase over October 2017.
- The gross profit for catering was $1,379
- The online Ships' Store generated $356 in net sales.
- Wages and payroll taxes declined $3,476 from October 2017, despite a $1 increase in the minimum wage.

The 2018 year to date net loss through October is ($8,054) compared to ($3,742) for 2017, as adjusted to report transient fees and general fund reimbursements for office salaries in the same manner as 2018. The actual reported loss year to date loss through October 2017 was $(13,887).

September Financial Highlights

The House reported a net profit of $2,701 for the month of September, compared to a net profit of $3,219 for September 2017 and a net loss of $(7,863) for September 2016.

The September 2018 net profit was primarily achieved from:

- A gross profit of $5,549 from fuel sales of $24,002.
- Transient fee revenue of $1,620.
- Food sales of $17,293 compared to $15,263 for September 2017 (13% increase)
- Effective management of the cost of goods sold, staffing levels and operating expenses.

The 2018 year to date net loss through September is ($8,450) compared to ($9,338) for 2017. However, beginning in 2018 the House reports all the transient fee revenue as compared to 2/3 in past years. The House also receives an additional reimbursement for office salaries in accordance with the General Fund 2018 budget. Accordingly, the year to date net loss for September 2017 would have been $(845) if these items were treated the same last year.

August Financial Highlights

The House reported a net profit of $12,821 for the month of August, compared to a net profit of $5,103 for August 2017 and $3,369 for August 2016. The results for August 2018 are more indicative of the strong net profits experienced during August 2015 and 2014 when the House reported net profits of $20,241 and $19,772, respectively.

The August 2018 net profit was primarily achieved from:

- A gross profit of $6,969 from fuel sales of $36,178.
- Transient fee revenue of $5,995 compared to $2,860 in July.
- Food sales of $24,459 compared to $16,868 for July (45% increase) and $19,474 for August 2017 (22% increase)
- A significant increase in the gross profit from food sales due to a reduction in the cost of goods sold from 78% in July to 54% in August, much closer to the 50% targeted goal.
- A 23% increase in bar sales of $29,305 for August compared to $23,769 for July.

The 2018 year to date net loss through August is ($11,151) compared to ($12,557) for 2017. However, beginning in 2018 the House has reported 100% of the transient fee revenue in accordance with the General Fund 2018 budget. In past years, 1/3 of the fees were reported by the General Fund, which represents a revenue increase to the House of approximately $6,000.

July Financial Highlights

- The House reported a net profit of $420 for the month of July. The net profit was substantially less than the net profits of $4,543 and $5,103 reported for July 2017 and 2016, respectively. Net profits for July 2015 and 2014 ranged from $10,000 to $12,000.
- The reduced net profit primarily resulted from a continued decline in total food and beverage sales combined with a 23% food profit margin. Achieving the desired 50% profit margin would have increased the net profit by more than $4,500.
- The volume of sales reported for July and August are historically much greater than June. However, the total food and beverage sales reported for July of $40,627 was virtually identical to the June sales.
- The decline in July food and beverage sales volume continues a significant negative trend experienced over the past several years as indicated in the bar chart on the last page of the House Report.
- The July net profit was improved by near record fuel sales for the month of $49,548, resulting in a gross profit of $10,528.
- The House has traditionally depended upon strong profitability during the months of July and August to offset the net losses experienced during the winter months. Improved August profitability combined with strong cost control over the remaining months will be critical to avoid substantial losses for the year.

June Financial Highlights

- The House reported a net profit of $507 for June 2018 compared to a net profit of $6,167 for June 2017. The reported profit is much lower than expected. June is normally a fairly strong month with a net profit in the range of $2,000 to $4,000.
- The lower profit resulted from a significant decline in gross revenue from $84,347 last June to $72,966 for June 2018 or 13.5%. Total food and beverage revenue was down 15% from $47,611 last June to $40,428 for June of this year. Total expenses for this June were marginally less than last June preventing a reported loss for the month.
- The YTD net loss through June 2018 is $(24,392) compared to a net loss of $(26,569) for the same period in 2017. The higher 2017 loss is primarily due to the higher salary costs for employing a full-time chef and the exceedingly high cost of food purchases related to our former chef during January 2017.
- A new chart appears on the last page of the report which compares the gross revenue for the House by major categories for the first six months of each of the last five years. The chart indicates several significant revenue trends. Food revenue has declined dramatically from $85k in 2014 to roughly $65k over the next three years then down to $51k for 2018. Bar revenue has remained fairly constant despite the significant bar revenue lost from the sale of beverages sold with food.

April Financial Highlights

- The House reported a net loss of $(5,961) for April 2018 compared to a net loss of ($3,543) for April 2017. The decrease in profitability was largely due to a $4,029 (13%) decline in gross revenue primarily resulting from a decline of $2,010 in catering revenue.
- The YTD net loss through April 2018 is $(26,926) compared to a net loss of $(35.348) for the same period in 2017. The higher 2017 loss is primarily due to the higher salary costs for employing a full-time chef and the exceedingly high cost of food purchases related to our former chef during January 2017.

January and February Financial Highlights

- The original January House report included proceeds for ticket sales for the Valentine's Day Dinner which was held in February. The report also did not reflect some of the costs for the New Years' Day event which should have been reflected in January. The revised House report properly reports the results of operations of these items for January. Consequently, the House loss for January 2018 was revised to $(10,066) from the originally reported of $(8,382).
- The House reported a net loss of $(5,576) for February 2018 compared to a net loss of ($8,740) for February 2017. The increase in profitability was primarily due to a $1,777 (16%) increase in gross profit and a $1,793 reduction in gross wages resulting from the cost savings from no longer employing a full-time chef.
- Gross revenue for February 2018 increased more than 12% from $22,213 in February 2017 to $24,959 in 2018.
- The YTD net loss through February 2018 is $(15,642) compared to a net loss of $(22,934) for the same period in 2017. Approximately one half of the improvement results from higher gross revenue and wage cost reductions. The remainder is due to the exceedingly high cost of food purchases related to our former chef during January 2017.
- Club functions and catering revenue for the two-month period in 2018 nearly doubled from $2,861 in 2017 to $5,320 in 2018. The additional revenue resulted in a $1,236 increase in gross profit.

January Financial Highlights

- The House reported a net loss of $(8,382) for January 2018 compared to a net loss of ($14,194) for January 2017.
- The increase in profitability was primarily due to a $3,847 (29%) reduction in the cost of goods sold during January 2018. The exceedingly high cost of food purchases related to our former chef during January 2017 was primarily responsible for the cost of goods differential.
- Gross revenue for January 2018 was $22,816 compared to $21,551 in January 2017 an increase of slightly more than 5%.
- Food sales for January sharply declined by 33% from $7,365 in 2017 to $4,909 in 2018, which represents a continued negative trend.
- Club functions revenue more than doubled from $2,016 in 2017 to $4,167 in 2018. The additional revenue resulted in a $1,020 increase in net profit for the month after cost of goods.

Year-End Financial Highlights

- The House reported a 2017 year-end net loss of $(22,983) compared to a 2016 year-end net loss of $(58,790)
- The improved net loss was primarily due to significant reductions in cost of goods sold and operating expenses through enhanced budgeting and cost control as well as improved staff management resulting in lower wage costs.
- Total revenue was essentially identical for both years, $598,377 for 2017 compared to $600,855 in 2016.
- Total food and bar revenue declined by nearly $15,000 from $471,429 in 2016 to $456,593 in 2016, primarily due to a $15,449 reduction in gross food sales.
- Gross profit increased by nearly $7,500 in 2017 due to a lower cost of goods sold resulting primarily from improved food purchasing management.
- Gross wages and payroll taxes in 2017 were reduced by $14,218 through improved staff management and reducing the need for a full-time chef. **The reduction was achieved despite an increase in the minimum wage beginning in 2017, which is estimated to add an additional $15,000 to total wages. Therefore, total wages for 2017 would have declined by nearly $30,000 if the minimum wage rate had remained the same as 2016, reducing the reported net loss for 2017 to less than $10,000.**
- Operating expenses were reduced by nearly $9,000 from $64,773 in 2016 to $55,779 in 2017.

December Financial Highlights

- The House reported a net loss of $(7,793) for December 2017 compared to a net loss of ($13,881) for December 2016.
- Gross revenue for December of both years was substantially identical. The earnings improvement resulted from a $3,023 or 23% reduction in the cost of goods sold for food and a $2,406 reduction in operating expenses for the month.
- Food sales for December declined 21% from $8,743 in 2016 to $6,882 in 2017. This continued trend indicates the necessity to complete the implementation of the comprehensive food service plan currently being initiated.

November Financial Highlights

- The House reported a net loss of $(1,303) for November 2017 compared to a net loss of ($4,972) for November 2016.
- Gross revenue declined from $40,479 for November 2016 to $37,573 during November 2017. However, total operating expenses for November also declined from $25,997 in 2016 to $21,932 in 2017. The expense reduction was primarily due to significant improvements in employee wage costs resulting from not employing a chef for more than half the month.
- Food sales for November declined 23% from $11,004 in 2016 to $8,456 in 2017. Accordingly, liquor and wine sales declined by nearly 10% during this period. This trend indicates that an increase in food sales through planned improvements in food service will serve to increase the volume of wine and liquor sales as well.
- The YTD net loss through November 2017 is $(15,190) compared to a net loss of $(44,909) for the same period in 2016. The improved net loss was primarily due to significant reductions in cost of goods sold and operating expenses through enhanced budgeting and cost control as well as improved staff management resulting in lower wage costs. The earnings improvement was achieved despite a reduction in gross revenue during 2017 as compared to 2016.

October Financial Highlights

- The House reported a net loss of $(4,549) for October 2017 compared to a net loss of ($8,340) for October 2016.
- The October 2017 net loss was achieved despite a significant decline in gross revenue compared to October 2016, which continues to be a concern. Gross revenue declined from $48,030 for October 2016 to $42,435 during October 2017. However, total operating expenses for October also declined from $29,918 in 2016 to $26,953 in 2017. The improvement was primarily due to sound management of salaries and wages as well as the lower cost of servicing the dining room linens.
- Food sales for October declined 28% from $14,299 in 2016 to $10,310 in 2017. Accordingly, liquor and wine sales combined declined by nearly 20% from $13,295 in 2016 to $10,728 in 2017. This decline indicates that a significant portion of wine and liquor sales are attributable to food service.
- The YTD net loss through October 2017 is $(13,887) compared to a net loss of $(39,937) for the same period in 2016. The substantial improvement was achieved although gross revenue for both years was substantially identical, $531,267 in 2017 compared to $530,703 in 2016. The improved net loss was primarily due to enhanced budgeting and cost control over cost of goods sold, wages and operating expenses. Total expenses for 2017 were $269,049 compared to $290,790 for 2016.

September Financial Highlights

- The House reported a net profit of $3,219 for September 2017 compared to a net loss of ($7,863) for September 2016.
- The September 2017 net profit was achieved primarily from a 60% increase in fuel sales from $10,609 last year to $16,978 in 2017, a substantial increase in catering revenue and a substantial reduction in gross wages from $27,784 last year to $23,288 in 2017. The wage reduction was primarily attributable to the lower salary of our current chef combined with proper staff management by the Club Steward.
- The volume of food and bar sales continues to be a concern. Food sales for September 2017 declined 18% from$18,553 in 2016 to $15,253 in 2017. Bar sales declined by 9% from $26,015 in 2016 to $23,773 in 2017.
- The YTD net loss through September is $(9,338) compared to a net loss of $(31,597) for the same period in 2016. The substantial improvement was primarily due to improved budgeting and cost control over wages and operating expenses. Total expenses for 2017 were $242,096 compared to $260,872 for 2016. The wage reduction occurred despite the substantial increase in the minimum wage during 2017. However, total food and bar revenue declined from $365,353 last year to $357,816 in 2017.

August Financial Highlights

- The House reported a net profit of $9,469 for the month of August, compared to a net profit of $5,103 for August 2016. However, the net profit was substantially less than those historically reported by the House for the month of August in recent years. For example, the net profits for August 2015 and 2014 were $20,241 and $19,772, respectively.
- The continued flattening of overall sales volume continues to raise profitability concerns. Total food and bar sales normally increase dramatically during the months of July and August, however the July sales volume declined, while the August sales volume remained flat compared to June.
- August food sales were $19,774, a nearly 30% increase over the July food sales. This amount is much closer to the typical August food sales in recent years.
- Due to a payroll adjustment, the net profit for July 2017 was corrected to $4,543 from the $3,075 originally reported.
- The 2017 YTD net loss through August is $12,557 compared to a net loss of $23,734 for the same period in 2016. The improvement in 2017 earnings primarily resulted from a reduction in wages and operating expenses which exceeded the reduction in gross profit.
- The House has historically reported a small net profit for the month of September followed by increased losses reported during the months of October through December commensurate with minimal sales volume during the off-season. Although the House reported a $35,000 during the months of September through December in 2016, net losses in previous years have ranged from roughly $10,000 to $20,000 during these months. Accordingly, a net loss in the range of $25,000 to $30,000 can be expected for 2017 provided that typical sales volumes are maintained combined with continued management of operating expenses.

July Financial Highlights

- The House reported a net profit of $3,075 for the month of July. The net profit was substantially less than the $6,895 net profit reported for July 2016 and considerably below the profits reported for July in recent prior years which have ranged from $10,000 to $23,000.
- The reduced net profit primarily resulted from a substantial decline in total food and beverage sales combined with increased wages and operating expenses. The high volume of sales and strong profit reported in June failed to carry over into July which resulted in a net profit far below expected results.
- A substantial decline in food sales volume was the primary element of the overall revenue reduction. Food sales for July 2017 were $15,361, a 20% decline from July 2016 ($19,149) and a 38% decline from July 2015 ($24,490)
- The volume of sales reported for July and August are normally substantially greater than June. However, the total food and beverage reported for July of $43,126 declined from the sales reported for June of $47,611.
- The decline in July food and beverage sales volume continues a significant negative trend experienced over the past several years as indicated below:

July 2014	$57,806
July 2015	$52,707
July 2016	$48,498
July 2017	$43,126

- The House has traditionally depended upon strong profitability during the months of July and August to offset the net losses experienced during the winter months. Improved August profitability combined with strong cost control over the remaining months will be critical to avoid substantial losses for the year.