

To: Todd Mayfield, President LFCC
From: Rob Walls, General Manager
CC: Board of Directors, Jon Cheshire (KS)
Re: Lincolnshire Fields Country Club

Overview:

August was a solid financial month. Revenues exceeded budget and offset elevated payroll and expenses. Dues continued their strong trend and Food & Beverage revenues finished well ahead of budgeted expectations. Golf greens and cart fees also outperformed expectations. The club finished with an EBITDA of (\$29) against a budget of (\$3,500).

Lincolnshire Fields
Standard Summary Income Statement
For the Ten Months Ending Saturday, August 31, 2024

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	Rolling 12 Months
REVENUES												
\$46,513	\$42,950	108.3%	\$34,595	134.5%	Green Fees & Cart Fees	\$218,430	\$230,224	94.9%	\$195,738	111.6%	\$283,549	\$270,916
23,862	20,000	119.3%	18,742	127.3%	Merchandise	124,289	138,450	89.8%	132,823	93.6%	192,950	187,322
1,334	0	0.0%	110	1213.0%	Other Pro Shop	2,881	0	0.0%	1,737	165.8%	0	6,241
0	0	0.0%	0	0.0%	Range	0	0	0.0%	0	0.0%	0	30
130,273	117,150	111.2%	120,547	108.1%	Food and Beverage	1,001,468	873,590	114.6%	823,238	121.6%	999,978	1,127,791
0	0	0.0%	0	0.0%	Food and Beverage Gratuity Income	0	0	0.0%	60	0.0%	0	0
195,799	187,253	104.6%	167,827	116.7%	Membership Dues	1,867,264	1,762,533	105.9%	1,587,511	117.6%	2,137,039	2,205,758
6,000	0	0.0%	9,000	66.7%	Initiation Fees	141,150	151,500	93.2%	153,050	92.2%	151,500	158,200
1,410	7,343	19.2%	(2,815)	(50.1%)	Deferred IFee Rev Adj	(74,228)	(87,287)	85.0%	(100,603)	73.8%	(72,600)	(78,656)
3,489	2,000	174.5%	2,262	154.2%	Other Operating Revenues	32,662	23,300	140.2%	26,079	125.2%	23,500	33,121
(1,771)	0	0.0%	463	(982.3%)	Other G&A Income	11,723	0	0.0%	5,707	205.4%	0	13,524
406,909	376,696	108.0%	350,731	116.0%	TOTAL REVENUE	3,325,638	3,092,310	107.5%	2,825,341	117.7%	3,715,915	3,924,246
COST OF SALES												
18,219	15,400	118.3%	14,908	122.2%	Merchandise	96,502	105,702	91.3%	104,712	92.2%	147,177	149,571
49,041	44,639	109.9%	54,117	90.6%	Food & Beverage	350,203	332,173	105.4%	316,894	110.5%	380,324	400,577
67,260	60,039	112.0%	69,025	97.4%	TOTAL COGS	446,705	437,875	102.0%	421,606	106.0%	527,500	550,149
76.4%	77.0%	99.2%	79.5%	96.1%	COGS - Merchandise %	77.6%	76.3%	101.7%	78.8%	98.5%	76.3%	1032.3%
37.6%	38.1%	98.7%	44.9%	83.7%	COGS - Food %	36.1%	38.0%	95.0%	39.7%	90.9%	38.0%	458.4%
PAYROLL												
55,135	57,155	96.5%	53,047	103.9%	Course and Grounds	454,121	474,472	95.7%	414,869	109.5%	583,374	557,078
20,942	19,183	109.2%	11,880	176.3%	Pro Shop	143,424	142,999	100.3%	103,917	138.0%	168,097	168,448
78,779	71,736	109.8%	62,403	128.2%	Food and Beverage	666,117	654,994	101.7%	582,831	114.3%	771,201	769,704
16,274	16,921	96.2%	11,903	136.7%	Other Operating Departments	85,972	84,562	101.7%	74,845	114.9%	93,810	93,631
25,491	23,329	109.3%	19,298	132.1%	General and Administrative	234,651	235,095	99.8%	217,381	107.9%	277,155	275,906
196,620	188,324	104.4%	158,530	124.0%	TOTAL PAYROLL	1,584,284	1,592,121	99.5%	1,393,843	113.7%	1,893,637	1,864,767
OPERATING EXPENSES												
39,879	47,122	84.6%	43,249	92.2%	Course and Grounds	208,686	260,770	80.0%	219,826	94.9%	311,264	256,541
2,502	2,502	100.0%	2,502	100.0%	Carts, Range, Starters, Etc.	25,023	28,520	87.7%	8,466	295.6%	33,524	30,027
1,672	1,200	139.4%	1,632	102.5%	Pro Shop	10,457	9,275	112.7%	14,554	71.9%	11,675	12,895
17,467	16,241	107.5%	20,337	85.9%	Food and Beverage	159,385	120,970	131.8%	129,522	123.1%	147,202	192,225
5,976	4,250	140.8%	1,610	371.2%	Other Operating Departments	36,502	29,720	122.8%	26,736	136.5%	32,020	38,524
75,561	60,519	124.9%	56,097	134.7%	General and Administrative	608,326	567,794	107.1%	535,078	113.7%	701,443	756,703
143,058	131,834	108.5%	125,427	114.1%	TOTAL OPERATING EXPENSES	1,048,378	1,017,049	103.1%	934,183	112.2%	1,237,128	1,286,915
406,939	380,196	107.0%	352,982	115.3%	TOTAL EXPENSES	3,079,367	3,047,045	101.1%	2,749,631	112.0%	3,658,266	3,701,831
(29)	(3,500)	0.8%	(2,251)	1.3%	EBITDA	246,271	45,265	544.1%	75,710	325.3%	57,649	222,415
FINANCING ACTIVITY												
(7,954)	(5,227)	152.2%	(5,557)	143.1%	Interest Expense - Debt	(88,015)	(52,274)	168.4%	(64,252)	137.0%	(62,729)	(98,489)
(4,111)	(3,670)	112.0%	(5,327)	77.2%	Interest Expense - Leases	(44,932)	(42,150)	106.8%	(11,772)	381.7%	(49,130)	(54,981)
1,258	0	0.0%	918	137.0%	Interest Income	12,398	0	0.0%	6,337	195.6%	0	14,316
(10,808)	(8,897)	121.5%	(9,965)	108.4%	TOTAL FINANCING ACTIVITY	(120,549)	(94,424)	127.7%	(69,687)	173.0%	(111,859)	(139,154)
OTHER INCOME (EXPENSE)												
56,536	52,000	108.7%	54,158	104.4%	Dues - Capital Improvement	555,505	520,000	106.8%	514,456	108.0%	624,000	664,579
3,239	3,172	102.1%	1,594	203.2%	Initiation Fees - Capital Improvement	25,214	22,505	112.0%	6,530	386.1%	28,850	28,652
0	0	0.0%	(250)	0.0%	Operating Assessments	133,050	130,000	102.3%	144,525	92.1%	130,000	134,875
(39,383)	(35,828)	109.9%	(37,400)	105.3%	Depreciation & Amortization	(379,300)	(358,280)	105.9%	(336,580)	112.7%	(429,936)	(452,658)

Financial Performance:
Revenues:

August revenues finished at \$406.9k, outpacing the budget by \$30.2k and the prior year by \$56.2k.

The dues line contributed \$195.98k, \$8.5k ahead of the budget. The dues line continues its positive trend. There was one membership addition in August with three membership resignations. Early sales combined with below-budget attrition, have allowed us to outpace the dues budget by \$104.7k year to date.

Food & Beverage revenues finished August over budget by \$9.7k (11%). The club was consistently busy throughout the month. Bar sales continued to be the main driver of the increase. Food & Beverage revenue has officially hit \$1 million for the fiscal year. We are currently 15% ahead of the budget and 22% of the prior year.

The course recorded 2,735 rounds of golf throughout the month. This was ahead of the 2,534 rounds played in August 2023. Rounds of golf are currently up 23.4% over the prior year. The club hosted two golf outings in August. We have one remaining on our calendar in September.

Greens fees finished the month at \$16.5k against a budget of \$16.2k. This is the first time we have hit our greens fee budget over the last several months. As discussed, the budget was too aggressive this season. Greens fees are up \$12.4kk (20%) for the year, but we are currently trailing the budget by \$21.8k. Cart fees finished the month at \$30k versus a budget of \$26.7k.

Merchandise sales finished ahead of budget. Total merchandise sales were \$23.9k against a budget of \$20k. Total merchandise sales for the year are at \$124.3k against a budget of \$138.5k. The shop is full and we should see sales increase as credits come due over the next few months. We have a few demo days scheduled for the fall.

Payroll:

Payroll finished \$8.3k over budget. Food & Beverage, Administration, and Golf all finished over budget while Grounds and Aquatics finished the month below budgeted targets.

The Food & Beverage department finished the month at \$78.8k against a budget of \$71.7k. The department finished well over revenue targets and provided a great experience to the membership throughout the month. The Food & Beverage department is now \$11.1k (2%) over budget for the year. September will see payroll decrease further as we close Stingrays for the season.

Administration finished the month at \$2.2k over budget due to bonuses and initiation fee commission payouts. Golf finished the month over by \$1.8k.

Grounds provided modest (\$2k) payroll savings versus budget. Paul continues to do a great job of managing his staff. The Aquatics department finished the month under budget, spending \$12.7k versus an anticipated \$14k. We lost most of our staff in August and operated with a small crew throughout the month. September will see minimal coverage before we close the pool for the season.

Expenses:

August OPEX ended at \$143k versus a budget of \$131.8k.

Supplies and repair and maintenance costs accounted for much of the overage. We had a pipe break in our pool pump room which needed repair. We also continued to have HVAC issues and needed additional repairs. The pipe break also resulted in a water bill increase as we needed to refill the pool.

Grounds continues to provide savings in chemicals and fertilizers. We have currently saved \$40k versus the budget for the fiscal year. Paul plans to experiment in September and October with some new pre-emergent herbicides. These products would stop broad-leaf weeds and poa annua from developing in the Spring.

The Cost of Goods in Golf was 76.35% on a budget of 77%. We currently sit at 77.64% versus a budget of 76.35% and a prior year of 78.84%.

Food COGS% was 40.64% on a budget of 40.50%. Bar COGS% finished the month at 33.52% against a budget of 33.50%. Inventory in both departments was reduced significantly, but there is further inventory reduction needed as we approach the offseason.

Summary:

The club finished the month with revenues of \$406.9k versus a budget of \$376.7k. Payroll finished the month \$8.2k (4%) over budget and OPEX finished the month \$11.2k (9%) over budget. The club finished \$3.5k above the budgeted EBITDA at (\$29). Through the first ten months of the fiscal year, the club has an EBITDA of \$246.3k versus a budget of \$45.3k.

The club continues to be busy. We are through the busiest part of the season. School has started. Stingrays will close shortly after Labor Day, and the pool will close at the end of September. We are looking forward to a great fall filled with activity.

Key Performance Highlights:

- Total revenues of \$406,909 on a budget of \$376,696 and prior year of \$350,731.
- Dues finished at \$195,799 on a budget of \$187,253.
 - The monthly dues line is currently \$28k higher than the prior year.
- Food & Beverage revenue of \$130,273 versus budget of \$117,150 and prior year of \$120,547.
- Golf revenue ahead of budget in greens fees, cart fees, and merchandise sales.
- Food & Bar COGS% finished under budget.
 - 37.665% versus a budget of 38.10%.

Key Performance Issues:

- Elevated payroll.
 - Total payroll \$196,620 on a budget of \$188,324.
 - \$7k payroll overage in Food & Beverage.
 - \$2.1k payroll overage in Administration.
 - \$1.8k payroll overage in Golf.
- Elevated OPEX
 - Total OPEX of \$143,058 on a budget of \$131,834.
 - Savings from chemical and fertilizer.
 - HVAC and equipment repair expenses in OPEX.
 - Cost of supplies continues to trend well over budget.
- We found ourselves short-staffed in Food & Beverage and Aquatics throughout the month.

Key Actions to Drive Performance:

- Preparing for Labor Day weekend.
- Stingrays will close in mid-September with the pool remaining open through the final weekend.
- Men's fall league on the calendar.
- King of Clubs will return mid-month.
- Sushi Night, Movie Night on the Driving Range, and fall specials.
- Fall aeration process will be started following Labor Day.
- New seasonal menu to be released mid-month.

Membership Update:

Current Membership Numbers: 471 Total

Equity	181
Junior	113
Under 35	53
35-37	35
38-39	24
Social	112
Honorary	35
Honorary Social	5
Dining	14
Non-Resident	9

Membership Additions – We have sold 40 total memberships this fiscal year on a budget of 46 membership additions in 2024. There was one sale in August.

Membership Attrition – There were three membership resignations in August with seven more in the resignation window. We are budgeted for an attrition of 38. A total of 38 resignations have been processed or are in the pipeline.

RESIGNED MEMBERS	MEMBERSHIP TYPE	OFF THE SYSTEM	REMARKS
SCOTT MARTIN	HONORARY	11/25/2023	MOVING TO TEXAS PERMANENTLY
ED RIESBERG	SOCIAL	11/25/2023	BUSY SCHEDULE – UNABLE TO USE CLUB
CAROLINE BLACKFORD	SOCIAL	11/25/2023	NOT ENOUGH USAGE
CHRIS HARTMAN	EQUITY	11/25/2023	NOT ENOUGH USAGE
VALERIE SWAIN	JUNIOR	12/25/2023	NOT ENOUGH USAGE
BRETT KROENKE	SOCIAL	12/25/2023	NOT ENOUGH USAGE
NATALIE ROBERTS	SOCIAL	12/25/2023	FINANCIAL
SARAH GEIGER	SOCIAL	12/25/2023	TOO BUSY – NOT ENOUGH USAGE
RYAN LOWN	JUNIOR	12/25/2023	INCREASED COST DUE TO AGE
GREG SOPA	SOCIAL	12/25/2023	NOT ENOUGH USAGE
JOHN KISER	SOCIAL	1/25/2024	NO REASON GIVEN
RAY ALEXANDER	SOCIAL	2/25/2024	NO REASON GIVEN
JIM BURGNER	EQUITY	2/25/2024	PREPARING TO MOVE
TAYLOR COX	JUNIOR	3/25/2024	MOVING
MATT/GINI BAIN	SOCIAL	4/25/2024	FINANCIAL
CORY ROBERTS	JUNIOR	4/25/2024	CHANGED JOBS
BRYCE YANTIS	JUNIOR	4/25/2024	FAMILY HEALTH
ROBERT OLTEAN	DINING	4/25/2024	MOVING
ERNEST KWAK	JUNIOR	5/25/2024	NEW JOB REQUIRING TRAVEL
JEFFREY LEE	JUNIOR	5/25/2024	NOT ENOUGH USAGE
LOU LAROS	SOCIAL	5/25/2024	DECEASED
MADELINE HOEFT	EQUITY	6/25/2024	MOVING
JOSHUA KIM	JUNIOR	6/25/2024	NOT ENOUGH USAGE
PHIL NORFLEET	EQUITY	6/25/2024	EXPELLED
CHESTER FRAZIER	JUNIOR	7/25/2024	MOVING
ERIC WILSON	JUNIOR	7/25/2024	MOVING
NICOLE DICKERSON	SOCIAL	8/25/2024	NOT ENOUGH USAGE
TOM MURRAY	EQUITY	8/25/2024	NO REASON GIVEN
WILLIAM KING	SOCIAL	8/25/2024	NOT ENOUGH USAGE
DALE HENDERSHOT	EQUITY	9/25/2024	NEW BOAT, NOT ENOUGH USAGE
TRAVIS SPOHR	SOCIAL	10/25/2024	NOT ENOUGH USAGE
ANTHONY BRUNO	JUNIOR	10/25/2024	FINANCIAL
CAIN KISER	JUNIOR	10/25/2024	NO REASON GIVEN
MATT DAVIS	SOCIAL	10/25/2024	NOT ENOUGH USAGE
JASON SAKOWSKI	SOCIAL	10/25/2024	NO REASON GIVEN
TOM MALEE	HONORARY	10/25/2024	HEALTH