

**To:** Toney Tomaso, President LFCC  
**From:** Rob Walls, General Manager  
**CC:** Board of Directors, Morgan Gonzales (KS)  
**Re:** Lincolnshire Fields Country Club

### Overview:

February was a solid financial month at LFCC with the club finishing in a positive EBITDA versus budget. Revenues were up when compared against the prior year throughout the facility. Payroll and OPEX provided savings during the month as well. The club finished with an EBITDA of \$25.8k versus a budget of \$17.8k.

Lincolnshire Fields  
 Standard Summary Income Statement  
 For the Four Months Ending February 28, 2023

Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY	Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	Rolling 12 Months	
<b>REVENUES</b>												
72	0	0%	0	0%	Green Fees & Cart Fees	3,625	2,850	127%	4,767	76%	269,094	235,656
3,519	2,300	153%	1,996	186%	Merchandise	13,418	13,100	102%	16,426	62%	187,100	183,548
143	0	0%	0	0%	Other Pro Shop	1,514	0	0%	849	178%	50	7,894
0	0	0%	0	0%	Range	0	0	0%	0	0%	120	20
28,855	38,800	74%	17,855	160%	Food and Beverage	154,057	165,300	93%	148,178	104%	874,278	812,728
153,350	153,163	100%	141,353	108%	Membership Dues	612,667	600,131	102%	581,790	109%	1,804,715	1,802,676
219	0	0%	0	0%	Initiation Fees	219	0	0%	6,000	4%	96,000	51,915
4,810	4,592	105%	0	0%	Deferred I Fee Rev Adj	18,585	18,367	101%	0	0%	(34,662)	18,585
0	0	0%	0	0%	Other Operating Revenues	0	0	0%	0	0%	22,950	24,619
797	(100)	-797%	138	576%	Other G&A Income	1,851	(400)	-453%	443	418%	(1,200)	5,037
<b>191,565</b>	<b>198,755</b>	<b>96%</b>	<b>161,242</b>	<b>119%</b>	<b>TOTAL REVENUE</b>	<b>806,936</b>	<b>799,348</b>	<b>101%</b>	<b>738,502</b>	<b>109%</b>	<b>3,317,406</b>	<b>3,142,846</b>
<b>COST OF SALES</b>												
1,931	1,610	129%	1,088	178%	Merchandise	10,222	10,596	96%	13,453	76%	143,231	143,089
11,088	14,758	75%	8,700	127%	Food & Beverage	65,044	62,873	103%	54,092	120%	327,148	302,775
<b>13,019</b>	<b>16,368</b>	<b>80%</b>	<b>9,787</b>	<b>133%</b>	<b>TOTAL COGS</b>	<b>75,266</b>	<b>73,469</b>	<b>102%</b>	<b>67,544</b>	<b>111%</b>	<b>470,379</b>	<b>445,864</b>
<b>54.9%</b>	<b>70.0%</b>	<b>78.4%</b>	<b>57.4%</b>	<b>95.7%</b>	<b>COGS - Merchandise %</b>	<b>76.2%</b>	<b>80.9%</b>	<b>94.2%</b>	<b>81.9%</b>	<b>93.0%</b>	<b>76.6%</b>	<b>920.6%</b>
<b>39.2%</b>	<b>38.0%</b>	<b>103.0%</b>	<b>49.0%</b>	<b>79.9%</b>	<b>COGS - Food %</b>	<b>46.4%</b>	<b>38.0%</b>	<b>122.0%</b>	<b>42.0%</b>	<b>110.4%</b>	<b>37.4%</b>	<b>499.3%</b>
<b>PAYROLL</b>												
24,026	23,570	102%	27,609	87%	Course and Grounds	115,714	120,267	96%	107,462	109%	597,776	488,766
4,712	4,947	95%	4,077	116%	Pro Shop	21,537	22,235	97%	31,403	68%	153,753	106,422
39,867	41,149	97%	32,038	124%	Food and Beverage	176,120	180,548	98%	150,104	117%	829,857	848,639
0	0	0%	0	0%	Other Operating Departments	110	0	0%	46	241%	66,913	59,676
21,423	20,801	103%	12,344	174%	General and Administrative	76,380	65,581	116%	56,224	136%	234,926	224,516
<b>90,047</b>	<b>90,567</b>	<b>99%</b>	<b>76,157</b>	<b>118%</b>	<b>TOTAL PAYROLL</b>	<b>388,871</b>	<b>388,631</b>	<b>100%</b>	<b>345,239</b>	<b>113%</b>	<b>1,682,234</b>	<b>1,526,619</b>
<b>OPERATING EXPENSES</b>												
7,888	6,774	113%	5,214	147%	Course and Grounds	28,548	27,456	104%	24,897	116%	317,498	312,029
0	0	0%	1,731	0%	Carts, Range, Starters, Etc.	3,462	3,462	100%	8,924	50%	20,182	20,833
716	750	95%	1,251	57%	Pro Shop	3,183	2,200	145%	3,080	103%	11,100	9,585
8,531	8,240	104%	11,735	73%	Food and Beverage	31,138	31,564	99%	30,350	103%	123,474	132,917
103	70	147%	57	181%	Other Operating Departments	277	280	99%	494	56%	23,465	23,398
45,816	59,214	78%	43,816	104%	General and Administrative	194,278	201,832	96%	185,201	105%	821,530	839,134
<b>62,652</b>	<b>74,048</b>	<b>85%</b>	<b>63,803</b>	<b>98%</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>260,884</b>	<b>266,794</b>	<b>98%</b>	<b>250,745</b>	<b>104%</b>	<b>1,123,279</b>	<b>1,134,737</b>
<b>165,719</b>	<b>180,984</b>	<b>92%</b>	<b>149,748</b>	<b>111%</b>	<b>TOTAL EXPENSES</b>	<b>726,021</b>	<b>728,895</b>	<b>100%</b>	<b>683,628</b>	<b>109%</b>	<b>3,275,882</b>	<b>3,106,620</b>
<b>25,846</b>	<b>17,771</b>	<b>145%</b>	<b>11,494</b>	<b>225%</b>	<b>EBITDA</b>	<b>79,916</b>	<b>70,463</b>	<b>113%</b>	<b>74,974</b>	<b>107%</b>	<b>41,514</b>	<b>36,226</b>
<b>FINANCING ACTIVITY</b>												
(3,868)	(7,800)	50%	(5,545)	72%	Interest Expense - Debt	(10,803)	(31,600)	34%	(21,475)	49%	(94,800)	(36,061)
(1,854)	(1,875)	117%	(1,277)	153%	Interest Expense - Leases	(15,270)	(6,700)	228%	(5,370)	284%	(20,100)	(30,944)
285	0	0%	73	392%	Interest Income	954	0	0%	254	379%	0	2,157
<b>(6,536)</b>	<b>(9,575)</b>	<b>69%</b>	<b>(6,749)</b>	<b>84%</b>	<b>TOTAL FINANCING ACTIVITY</b>	<b>(24,919)</b>	<b>(38,300)</b>	<b>65%</b>	<b>(26,591)</b>	<b>94%</b>	<b>(114,900)</b>	<b>(64,869)</b>
<b>OTHER INCOME (EXPENSE)</b>												
50,065	49,000	102%	46,555	108%	Dues - Capital Improvement	200,323	196,000	102%	186,003	108%	588,000	589,850
0	0	0%	0	0%	Initiation Fees - Capital Improvement	0	0	0%	0	0%	6,208	0
139,250	0	0%	0	0%	Operating Assessments	143,000	0	0%	0	0%	0	143,000
(32,081)	(34,492)	93%	(34,065)	94%	Depreciation & Amortization	(128,325)	(137,988)	93%	(136,378)	94%	(413,904)	(406,345)
0	0	0%	0	0%	Gain/(Loss) On Disposal Of Assets	0	0	0%	6,670	0%	0	0
0	0	0%	0	0%	Other Expenses / Capital Reserve / Impairment	0	0	0%	(2,520)	0%	0	(12,440)
<b>167,263</b>	<b>14,508</b>	<b>1084%</b>	<b>12,460</b>	<b>1262%</b>	<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>214,998</b>	<b>58,032</b>	<b>370%</b>	<b>63,774</b>	<b>400%</b>	<b>180,304</b>	<b>314,066</b>
<b>177,463</b>	<b>22,704</b>	<b>782%</b>	<b>17,205</b>	<b>1031%</b>	<b>NET INCOME</b>	<b>269,994</b>	<b>90,185</b>	<b>299%</b>	<b>102,157</b>	<b>264%</b>	<b>106,919</b>	<b>285,423</b>
0	0	0%	0	0%	Paid Rounds	36	25	144%	57	63%	2,306	1,667
29	0	0%	0	0%	Member Rounds	383	350	109%	447	86%	12,600	11,563
0	0	0%	0	0%	Other Rounds	0	0	0%	4	0%	0	279
29	0	0%	0	0%	Total Rounds	419	375	112%	508	82%	14,906	13,608
0	0	0%	0	0%	Revenue/Paid Rounds	22,387	31,974	70%	12,956	173%	14,39	22,477
6,806	0	0%	0	0%	Revenue/Total Rounds	1,823	2,132	86%	1,454	130%	223	241,879
0	0	0%	0	0%	Green Fees / Cart Fees per Paid Rounds	101	114	89%	84	120%	118	1,776
2	0	0%	0	0%	Green Fees / Cart Fees per Total Rounds	9	9	114%	9	92%	18	354
988	0	0%	0	0%	F&B Revenue/Total Rounds	368	441	83%	292	129%	59	61,853
121	0	0%	0	0%	Merchandise Revenue/Total Rounds	32	35	92%	32	99%	13	3,872

### Financial Performance:

#### Revenues:

February revenues finished at \$191.6k. This total was \$7.2k or 4% behind the \$198.8k budgeted and well ahead (\$30.3k) of prior year.

The dues line contributed \$153.3k, finishing right at budget. There continues to be significant membership interest and February saw four membership additions.

Food & Beverage revenues finished the month at 28.7\$k versus a budget of \$38.8k. Despite missing budgeted revenue targets, it was an encouraging month as food sales rose by 69% and bar sales rose by 31% versus the prior year.

It was a busier February than we have had in several years, and there is momentum growing. When the weather gets warmer and the new spaces open, we are confident we will see a large boost in revenues.

The weather did allow for minimal golf in February. The course saw 29 rounds. Merchandise sales finished the month at \$3,662 on a budget of \$2,300.

### **Payroll:**

Payroll finished February right on budget, ending the month at \$90k versus a budget of \$90.5k. All departments finished within a percent of their budgeted target.

It has been good to see controlled payroll so far this fiscal year. Through four months, payroll is at \$389.8k on a budget of \$388.6k.

### **Expenses:**

OPEX provided savings of \$11.4k in February. Expenses ended at \$62.7kk versus a budget of \$74.1k.

The largest driver of these savings was a delay in our annual fiscal review. This service was budgeted for \$10k within the budget, but we have not received our final billing. Much of the savings are artificial. The annual review will hit the expense line later in the fiscal year. We will accrue for this expense in March if we do not have the final report by the end of the month.

There was some additional spend in equipment and general repair. We had some drains replaced in the kitchen and finished a painting project in the lower hallway leading to the 19<sup>th</sup> Hole.

The Cost of Goods in Golf was 54.88% on a budget of 70.0%. There is always a dip in the cost of goods as we receive product in the Spring. There are early order payment discounts that are applied to the invoices that are not reflected when we receive the product into inventory. March and April will probably run low as well before leveling in May.

Food COGS% were under budget at 38.79%. This was welcome after a several month trend of higher cost of goods. We counted at mid-month in February and were expecting this rebound. Adam believes the count was not being executed well at month end and will be overseeing the count moving forward.

Bar COGS% finished the month at 37.48% against a budget of 31%. The cost of goods for the fiscal year are below budget so no cause for concern.

### **Summary:**

The club had a small shortfall in revenues that was offset by savings in OPEX that resulted in a positive EBITDA gain of \$8k. Food & Beverage revenues significantly outpaced prior year. The club is not sitting with an EBITDA of \$79.9k versus a budget of \$70.5k for the fiscal year.

We hope that March brings nice weather and a lot of traffic. The 19<sup>th</sup> Hole will continue to be open as the Clubhouse Renovation project continues. The new menu has been well received, and it has been nice seeing so many members enjoying their club during the offseason.

### **Key Performance Highlights:**

- Total revenues of \$191,565 on budget of \$198,755 and prior year of \$161,242.
- Dues finished at \$155,350 on a budget of \$153,163.
  - The monthly dues line is currently \$12k higher than the prior year.
  - There were three membership additions in February.
- Payroll was under budget by \$520 in February.
  - All departments finished within +/- \$500 of their budgeted payroll.

- Staff retention during the off-season remains a key focus.
- OPEX finished at \$62.6k versus a budget of \$74k.
  - Over on equipment repair and general repair.
  - Annual fiscal review is still in process and expense was not reflected despite budget.
- COGS numbers in golf were 54.88% on minimal sales volume. Food COGS finished at 39.79% on a budget of 41.92%. Bar COGS finished at 37.48% versus a budget of 31.0%.
  - Food COGS came down after several poor months.
  - Poor month end counts are suspected for the large miss in January.
  - Bar COGS still high, but fiscal year totals are under budget.

**Key Performance Issues:**

- Paul Sermersheim will be starting as Superintendent on March 1<sup>st</sup>.
  - Paul will be joining us starting on March 1<sup>st</sup>.
- Still searching for another Assistant Golf Professional/Golf Shop Attendant, but we are making contingency plans.
- Rachel Dalal will be returning as pool manager. Interviews for swim team coach are ongoing.

**Key Actions to Drive Performance:**

- Clubhouse renovation began in January.
  - The Board has engaged with an interior designer to help finalize all furniture and material details.
  - We are scheduled to reopen in May.
- New menu launched at the end of January to great reviews.
- Public page of new website will launch in early March.
  - This will be a better member amenity.
  - Help with marketing and membership initiatives.
  - Private side of the website and mobile app have been delayed, but we are making progress.

**Membership Update:**

Current Membership Numbers: 416 Total

Equity	<b>158</b>
Junior	<b>85</b>
Under 35	30
35-37	34
38-39	21
Social	<b>111</b>
Honorary	<b>43</b>
Honorary Social	<b>2</b>
Dining	<b>12</b>
Non-Resident	<b>5</b>

Membership Additions – We are budgeted for 48 membership additions in 2023. The first budgeted membership sales are in March. We added three new memberships in February.

Membership Attrition – We have seen an attrition of 28 on a budget of 41 for the fiscal year.

<b>RESIGNED MEMBERS</b>	<b>MEMBERSHIP TYPE</b>	<b>OFF THE SYSTEM</b>	<b>REMARKS</b>
ANDY WEBB	JUNIOR	12/25/2022	NOT ENOUGH USAGE
STEVE GILBERTZ	EQUITY	12/25/2022	DECEASED
MARK PELOFAS	SOCIAL	12/25/2022	NOT ENOUGH USAGE
CHAD HEMMING	SOCIAL	12/25/2022	NOT ENOUGH USAGE

TRAVIS LANGAN	JUNIOR	1/25/2023	MOVING OUT OF STATE
RYAN HURTH	JUNIOR	1/25/2023	NOT ENOUGH USAGE
SCOTT CLINE	SOCIAL	1/25/2023	FINANCIAL
MAX STUTSMAN	JUNIOR	1/25/2023	NOT ENOUGH USAGE
LAVERNE McFADDEN	HONORARY	1/25/2022	MOVING OUT OF STATE
JIM SCOTT	EQUITY	1/25/2023	DECEASED
AJ WOODYARD	JUNIOR	1/25/2023	PERSONAL CIRCUMSTANCES
LORI BRIAN	SOCIAL	2/25/2023	NO REASON GIVEN
BENJAMIN DAVIS	SOCIAL	2/25/2023	NOT ENOUGH USAGE
BOB TODD	HONORARY	2/25/2023	MOVING
DENNIS DONALDSON	DINING	3/25/2023	NOT ENOUGH USAGE
JASON HOLDREN	JUNIOR	3/25/2023	FINANCIAL
ED REISBERG	SOCIAL	3/25/2023	NOT ENOUGH USAGE
KAYLA ACREE	JUNIOR	3/25/2023	NO REASON GIVEN
TRENT KRAMER	SOCIAL	3/25/2023	JOINED CCC
LINDA CHICZEWSKI	SOCIAL	3/25/2023	NOT ENOUGH USAGE
ROBB CRADDOCK	SOCIAL	4/25/2023	CHILDREN OLDER / NOT ENOUGH USAGE
CODY DUST	JUNIOR	4/25/2023	JOB CHANGE
FALONN MAIER	JUNIOR	4/25/2023	NO REASON GIVEN