



To: Dave Jones, President LFCC
From: Robert Walls
CC: Board of Directors, Morgan Gonzales (KS)
Re: Lincolnshire Fields Country Club

Overview:

December was a strong close to the calendar year. Consistent dining traffic throughout the month made up for a lack of holiday events that went unscheduled due to the planned clubhouse improvement project. While many of these parties were cancelled in 2020 as well, the club would generally see anywhere from 18 to 25 events hosted during the holiday season. The budget was very conservative the revenue side with projections mirroring a covid affected 2020. With that said, despite fewer events, revenues managed to significantly outpace budget, beating projections by 18%, and finished ahead of 2019 actuals. Overall payroll and expenses finished in-line with budget allowing us to pass these revenue increases to the bottom line, finishing the month with EBITDA of \$35k above expectation.

Lincolnshire Fields
 Standard Summary Income Statement
 For the Two Months Ending December 31, 2021

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
REVENUES											
1,370	1,580	86%	1,962	70%	4,787	10,190	47%	10,808	45%	283,871	285,076
7,982	7,500	107%	7,358	108%	12,311	11,850	104%	13,947	98%	212,300	211,040
0	0	0%	0	0%	0	0	0%	0	0%	0	8,747
0	0	0%	0	0%	0	0	0%	0	0%	0	275
73,958	35,700	207%	33,858	219%	109,808	70,125	157%	63,273	174%	763,236	765,759
139,987	142,429	99%	123,857	113%	278,320	285,691	98%	253,386	110%	1,746,301	1,847,391
2,050	4,000	51%	2,400	85%	6,050	10,000	61%	3,200	189%	112,000	115,450
0	0	0%	0	0%	0	0	0%	0	0%	23,600	27,866
(25)	0	0%	(89)	29%	(188)	0	0%	538	-37%	0	7,457
225,348	191,219	118%	169,177	133%	412,133	387,866	106%	346,190	119%	3,166,307	3,067,080
COST OF SALES											
7,409	6,750	110%	6,391	116%	10,711	9,708	110%	11,301	95%	162,523	163,886
15,181	15,290	99%	11,828	127%	31,728	29,105	109%	32,802	139%	288,878	287,411
22,589	22,039	103%	18,316	123%	42,439	38,813	109%	34,103	124%	461,500	431,297
92.7%	90.0%	103.0%	86.8%	106.8%	87.0%	81.9%	106.2%	81.0%	107.4%	76.6%	988.0%
27.7%	42.8%	64.8%	42.6%	65.1%	35.0%	41.6%	84.4%	41.3%	84.8%	38.2%	464.7%
PAYROLL											
26,130	26,375	99%	28,488	92%	57,301	61,015	94%	61,973	92%	518,280	445,822
9,778	9,475	103%	9,508	103%	19,346	18,950	102%	18,571	104%	165,833	147,439
41,981	38,308	109%	28,763	145%	81,177	82,074	99%	81,577	112%	577,049	594,589
46	0	0%	0	0%	46	0	0%	0	0%	75,081	71,397
15,738	14,821	106%	19,967	79%	31,841	40,764	78%	43,205	74%	250,438	240,402
93,373	89,778	104%	87,728	106%	188,711	202,803	94%	185,326	102%	1,886,459	1,438,660
OPERATING EXPENSES											
4,586	7,685	60%	7,325	63%	14,656	17,620	83%	17,306	85%	294,791	293,738
1,731	1,731	100%	1,731	100%	3,462	3,462	100%	3,462	100%	28,582	28,100
1,210	445	272%	1,307	93%	1,829	736	249%	2,614	70%	10,180	11,484
7,564	4,879	155%	5,941	127%	12,828	11,595	111%	10,381	124%	108,196	96,457
67	340	17%	286	21%	381	415	92%	(278)	-137%	23,149	23,184
47,092	52,599	90%	34,918	135%	88,130	98,757	89%	71,202	138%	623,731	601,206
62,241	67,680	92%	51,489	121%	131,286	132,586	99%	104,687	125%	1,087,630	1,054,148
178,203	179,497	99%	157,533	113%	363,436	374,201	97%	324,116	112%	3,135,689	2,925,105
47,145	11,722	402%	11,644	405%	48,897	13,656	357%	22,074	221%	20,718	141,975
FINANCING ACTIVITY											
(5,259)	(8,575)	55%	(7,004)	75%	(10,841)	(19,150)	57%	(13,376)	81%	(114,900)	(64,944)
(1,385)	0	0%	(1,297)	105%	(2,772)	0	0%	(2,859)	104%	0	(20,435)
67	0	0%	-22	256%	108	0	0%	47	235%	0	963
(6,887)	(8,575)	80%	(8,229)	79%	(13,505)	(19,150)	71%	(15,988)	84%	(114,900)	(64,616)
OTHER INCOME (EXPENSE)											
46,369	46,434	100%	43,047	108%	92,834	93,000	100%	86,055	108%	572,348	548,542
0	0	0%	0	0%	0	0	0%	0	0%	0	106,882
(34,095)	(34,482)	99%	(36,036)	95%	(68,190)	(68,983)	99%	(72,072)	95%	(428,428)	(428,323)
0	0	0%	0	0%	6,870	0	0%	0	0%	0	8,170
0	0	0%	0	0%	(2,520)	0	0%	0	0%	0	18,072
12,274	11,942	103%	7,011	175%	28,794	24,017	120%	13,983	206%	142,920	252,633
52,852	14,089	375%	10,376	509%	63,986	18,522	345%	20,069	319%	48,738	309,993
NET INCOME											
21	20	105%	20	105%	57	120	48%	126	45%	2,386	2,560
151	200	76%	183	79%	447	800	56%	885	51%	15,810	13,804
0	0	0%	0	0%	0	0	0%	0	0%	0	33
172	220	79%	213	81%	509	1,020	50%	1,011	50%	18,196	16,497
10,731	9,561	112%	8,459	127%	7,230	3,232	224%	2,748	263%	1,323	28,316
1,310	869	151%	794	165%	811	380	213%	342	237%	173	3,281
65	80	82%	99	66%	84	85	98%	84	98%	119	1,173
8	7	110%	9	89%	9	10	94%	10	89%	16	155
430	162	265%	159	271%	216	69	314%	63	345%	42	860
46	34	136%	35	134%	24	12	200%	14	179%	12	173

Financial Performance:

Revenues:

December was an excellent revenue month for the club, outpacing budget by 18% and prior year by 33%. Overall, revenues were at \$225.5k on a budget of \$191.2k and a previous year of \$169.2k. Strong membership numbers continue to provide a solid monthly starting point, but the dues line missed budget by 2% for the month. This is due to a miss in late year additions. With that said, membership dues finished ahead of prior year by 13%.

The main revenue driver in December was Food & Beverage which outpaced budget by \$38k or 107%. Strong membership support throughout the month and a consistent weekly dining approach led to food & beverage success. The club continued Kids Eat Free and Bingo on Wednesday evenings and added Soup, Salad & Breadsticks on Thursdays. Chef's Friday Features continued to be popular along with Sunday Brunch. We will continue this scheduling in January with brunch moving to Saturday mornings. After modifying the event in 2020, we started the month strong by hosting Breakfast with Santa with 200 members participating. We also supplemented the calendar with two Chef's Tasting Dinners, a family-friendly Noon Year's Eve event, and a New Year's Eve dinner.

Golf revenues were generally flat to budget and prior year. The weather was cold throughout the month. The course saw limited play with only 108 total rounds. The first week of the month provided an opportunity for play. For the remainder, rounds were scattered. We did have a nice stretch around Christmas that allowed our membership to play some bonus holiday golf. Merchandise sales finished up 7% versus budget within special orders being the main contributor.

Two months into the fiscal year, revenues are outpacing budget by \$24k (6%) and prior year by \$65k (19%). Food & Beverage is contributing all revenue growth with golf greens and cart fees significantly behind budget due to poor weather.

Payroll:

Increased traffic meant increased payroll in December. The team managed their payroll well, finishing the month at roughly \$93.3k on a budget of \$89.8k. This 4% miss was more than covered by revenue increases and expense savings.

For the fiscal year, the club is 6% below budget in payroll. This has mainly been driven by Administration and Course & Grounds. We have certainly been short-staffed in Food & Beverage and payroll is flat despite the increases in revenues. The focus as we start January will be on building our team and creating a great working environment.

Expenses:

Total expenses finished the month under budget by 5.5k or 8%. Administration and Course & Grounds were again the main driver of these savings. The grounds department did not use any of their estimated \$2,500 fertilizer budget. The department missed this end of season application, but the team will apply during the offseason. These savings are temporary. On the golf side, the first invoice for GolfGenius tournament software was billed. This expense will be offset throughout the season once tournament and league play is underway as there is a fee structure built into events. Other larger expense misses to budget included laundry/linens, which didn't appear to be budgeted, and equipment repairs and maintenance for the bar sink and dishwasher.

Cost of Goods ran high in Golf as the department liquidated aged merchandise at the end of season. This is an annual trend and will correct as the season approaches and early pay discounts are taken. Food & Beverage COS were helped tremendously by unspent minimums that hit revenue at the end of December and came in significantly under budget.

Summary:

The club finished 2021 on a positive note and is in great position two months into the fiscal year. EBITDA is \$48.7k on a budget of \$13.7k. This success can be attributed to increases in F&B revenues in addition to controlled payroll and expenses. Great work by the LFCC team! Our major focuses for the upcoming year are to build the membership while preventing attrition and continuing to improve upon the Food and Beverage experience.

Key Performance Highlights:

- Total revenues \$225.3k on budget of \$191.2k and prior year of \$169.2k. Food & Beverage revenues were \$74k on a budget of \$35.7k.
- Dues finished at \$140k on a budget of \$142.5k, a miss of 2%. The dues line is currently \$16k or 13% higher the prior year.
- Payroll was over budget by \$3.6k in December.
- Expenses were \$5.5k under budget.
- COS finished at 92.7% for merchandise on budget of 90.0% and prior year of 86.8% and Food and Beverage will finish at 27.7% on budget of 42.8% and prior year of 42.6%.
- Roughly 200 covers for the Santa Brunch at the beginning of December

Key Performance Issues:

- **Staffing:** The team is having difficulty recruiting employees for the Kitchen & Service Staff departments. In addition, the Membership and Communications and Office Controller positions remain open.
 - Controller: Will continue the relationship with CLA, which will assist in day-to-day accounting duties and assist with month-end processes.
 - Membership & Marketing: Rob Walls has taken on responsibility until this position can be reimaged or a candidate is hired.
 - Golf Course Maintenance: We have successfully hired a new mechanic with a start date in January.

Key Actions to Drive Performance:

- Consistent Weekly Programing: Wed. - Kids Eat Free / Bingo; Thurs. – All You Can Eat Soup, Salad & Breadsticks, Fri. – Chef's Features; Sun. – Brunch.
- Developed club calendar through end of February.
- Finalized the 2022 golf calendar for approval at the January Board of Directors meeting.
- Food and Beverage Manager is refining staff training manual to increase consistency and quality of our training program.
- Grounds is working on a plan to improve water management techniques and bunker maintenance to improve overall playability for the 2022 season.

Course & Grounds Recap: Scott Werner, Golf Course Superintendent

A lot of bonus golf in December! Winter weather finally arrived right after New Year's Day.

Grounds notes for Dec:

Limited outdoor work in December. Several vacations taken, and several Covid pauses limited the grounds staff considerably.

The remaining few seasonal staffers worked their last few days. We did get a lead on an Equipment Manager candidate and are working through his potential hiring. I have not seen financials but would anticipate expenses to be close to budget projections for the month.

Grounds projects during Dec:

Applied two end of season topdressing applications to all putting greens. Continued limbing-up and other pruning of many trees around the course. Finished fall clean up and pruning of landscape beds. Finished all leaf cleanup and mulching. Monitored and repaired outdoor Christmas lights throughout the month. Began indoor work on course accessories.

Dec Photos:

