



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

**Overview:**

January was a poor revenue month for the club. The budget was aggressive on the Food & Beverage and Membership front. Food & Beverage was projected to outpace prior year actuals by 63%. In addition, there were seven membership additions budgeted, equating to \$14k in initiation fees. Despite missing revenues by \$20k, savings in both payroll and expenses allowed us to finish the month \$12k above EBITDA at \$14,782.

Lincolnshire Fields  
 Standard Summary Income Statement  
 For the Three Months Ending January 31, 2022

| 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>               |                |               |                |               |                 |                 |               |                 |               |                  |                   |
| 0                             | 0              | 0%            | 40             | 0%            | 4,787           | 10,190          | 47%           | 10,648          | 45%           | 283,871          | 285,036           |
| 2,218                         | 1,450          | 153%          | 1,017          | 218%          | 14,530          | 13,300          | 109%          | 14,964          | 97%           | 212,300          | 212,242           |
| 774                           | 0              | 0%            | 0              | 0%            | 849             | 0               | 0%            | 1,229           | 69%           | 0                | 7,521             |
| 0                             | 0              | 0%            | 0              | 0%            | 0               | 0               | 0%            | 0               | 0%            | 0                | 275               |
| 20,516                        | 28,075         | 73%           | 17,147         | 120%          | 130,323         | 98,200          | 133%          | 80,419          | 162%          | 763,236          | 789,128           |
| 141,117                       | 143,060        | 99%           | 131,015        | 108%          | 420,437         | 428,752         | 98%           | 384,411         | 109%          | 1,746,301        | 1,657,492         |
| 0                             | 14,000         | 0%            | 800            | 0%            | 6,050           | 24,000          | 25%           | 4,000           | 151%          | 127,000          | 114,650           |
| 0                             | 0              | 0%            | 0              | 0%            | 0               | 0               | 0%            | 0               | 0%            | 23,600           | 27,886            |
| 502                           | 0              | 0%            | 154            | 327%          | 304             | 0               | 0%            | 632             | 44%           | 0                | 7,805             |
| <b>165,127</b>                | <b>186,685</b> | <b>88%</b>    | <b>150,172</b> | <b>110%</b>   | <b>577,260</b>  | <b>574,442</b>  | <b>100%</b>   | <b>496,362</b>  | <b>116%</b>   | <b>3,156,307</b> | <b>3,082,035</b>  |
| <b>COST OF SALES</b>          |                |               |                |               |                 |                 |               |                 |               |                  |                   |
| 1,654                         | 1,378          | 120%          | 1,339          | 124%          | 12,365          | 11,066          | 112%          | 12,640          | 98%           | 162,523          | 164,201           |
| 13,664                        | 15,196         | 90%           | 8,763          | 156%          | 45,392          | 44,300          | 102%          | 31,565          | 144%          | 298,878          | 272,312           |
| <b>15,318</b>                 | <b>16,573</b>  | <b>92%</b>    | <b>10,102</b>  | <b>152%</b>   | <b>57,757</b>   | <b>55,366</b>   | <b>104%</b>   | <b>44,204</b>   | <b>131%</b>   | <b>461,500</b>   | <b>436,513</b>    |
| <b>74.5%</b>                  | <b>95.0%</b>   | <b>78.5%</b>  | <b>131.7%</b>  | <b>56.6%</b>  | <b>85.1%</b>    | <b>83.3%</b>    | <b>102.1%</b> | <b>84.5%</b>    | <b>100.8%</b> | <b>78.6%</b>     | <b>930.9%</b>     |
| <b>67.0%</b>                  | <b>54.1%</b>   | <b>123.8%</b> | <b>56.3%</b>   | <b>118.9%</b> | <b>40.9%</b>    | <b>45.1%</b>    | <b>90.7%</b>  | <b>44.6%</b>    | <b>91.7%</b>  | <b>39.2%</b>     | <b>475.3%</b>     |
| <b>PAYROLL</b>                |                |               |                |               |                 |                 |               |                 |               |                  |                   |
| 22,463                        | 26,942         | 83%           | 24,853         | 90%           | 79,764          | 87,957          | 91%           | 86,826          | 92%           | 518,260          | 443,432           |
| 7,980                         | 9,919          | 80%           | 9,811          | 81%           | 27,325          | 28,869          | 95%           | 28,382          | 96%           | 165,633          | 145,608           |
| 36,889                        | 38,637         | 95%           | 28,163         | 131%          | 118,066         | 120,711         | 98%           | 89,740          | 132%          | 577,049          | 543,326           |
| 0                             | 0              | 0%            | 0              | 0%            | 46              | 0               | 0%            | 0               | 0%            | 71,387           | 71,387            |
| 12,039                        | 19,984         | 60%           | 19,562         | 62%           | 43,890          | 60,747          | 72%           | 62,787          | 70%           | 230,436          | 233,879           |
| <b>79,371</b>                 | <b>95,482</b>  | <b>83%</b>    | <b>82,390</b>  | <b>96%</b>    | <b>289,081</b>  | <b>298,285</b>  | <b>90%</b>    | <b>267,716</b>  | <b>101%</b>   | <b>1,586,459</b> | <b>1,436,641</b>  |
| <b>OPERATING EXPENSES</b>     |                |               |                |               |                 |                 |               |                 |               |                  |                   |
| 4,827                         | 3,910          | 123%          | 3,874          | 125%          | 19,484          | 21,530          | 90%           | 21,181          | 92%           | 294,791          | 294,690           |
| 1,731                         | 1,731          | 100%          | 1,041          | 100%          | 5,193           | 5,193           | 100%          | 5,193           | 100%          | 26,582           | 28,100            |
| 0                             | 0              | 0%            | 0              | 0%            | 1,829           | 736             | 248%          | 3,055           | 60%           | 10,180           | 10,423            |
| 5,787                         | 6,225          | 93%           | 4,214          | 137%          | 18,615          | 17,920          | 104%          | 14,595          | 128%          | 108,136          | 98,030            |
| 56                            | 75             | 75%           | 119            | 48%           | 437             | 490             | 89%           | (159)           | -275%         | 23,149           | 23,122            |
| 43,255                        | 59,767         | 72%           | 51,623         | 84%           | 141,385         | 158,524         | 89%           | 122,825         | 115%          | 623,731          | 582,838           |
| <b>55,656</b>                 | <b>71,708</b>  | <b>78%</b>    | <b>62,601</b>  | <b>89%</b>    | <b>186,942</b>  | <b>204,293</b>  | <b>92%</b>    | <b>167,289</b>  | <b>112%</b>   | <b>1,087,630</b> | <b>1,047,203</b>  |
| <b>150,344</b>                | <b>183,763</b> | <b>82%</b>    | <b>155,093</b> | <b>97%</b>    | <b>513,780</b>  | <b>557,963</b>  | <b>92%</b>    | <b>479,209</b>  | <b>107%</b>   | <b>3,135,589</b> | <b>2,920,357</b>  |
| <b>14,782</b>                 | <b>2,923</b>   | <b>524%</b>   | <b>(4,921)</b> | <b>-300%</b>  | <b>63,480</b>   | <b>16,478</b>   | <b>385%</b>   | <b>17,153</b>   | <b>370%</b>   | <b>20,718</b>    | <b>161,679</b>    |
| <b>EBITDA</b>                 |                |               |                |               |                 |                 |               |                 |               |                  |                   |
| <b>FINANCING ACTIVITY</b>     |                |               |                |               |                 |                 |               |                 |               |                  |                   |
| (5,089)                       | (9,575)        | 53%           | (4,755)        | 107%          | (15,930)        | (28,725)        | 55%           | (18,131)        | 88%           | (114,900)        | (65,178)          |
| (1,321)                       | 0              | 0%            | (1,298)        | 102%          | (4,093)         | 0               | 0%            | (3,958)         | 103%          | 0                | (20,457)          |
| 73                            | 0              | 0%            | 47             | 156%          | 181             | 0               | 0%            | 94              | 193%          | 0                | 690               |
| <b>(6,337)</b>                | <b>(9,575)</b> | <b>66%</b>    | <b>(6,007)</b> | <b>105%</b>   | <b>(19,842)</b> | <b>(28,725)</b> | <b>69%</b>    | <b>(21,995)</b> | <b>90%</b>    | <b>(114,900)</b> | <b>(84,946)</b>   |
| <b>OTHER INCOME (EXPENSE)</b> |                |               |                |               |                 |                 |               |                 |               |                  |                   |
| 46,614                        | 47,242         | 99%           | 44,567         | 105%          | 139,448         | 140,242         | 99%           | 130,622         | 107%          | 572,348          | 550,589           |
| (34,095)                      | (34,492)       | 99%           | (31,403)       | 109%          | 0               | 0               | 0%            | 0               | 0%            | 0                | 106,682           |
| 0                             | 0              | 0%            | 0              | 0%            | (102,284)       | (103,475)       | 99%           | (103,475)       | 99%           | (429,428)        | (431,524)         |
| 0                             | 0              | 0%            | 0              | 0%            | 6,670           | 0               | 0%            | 0               | 0%            | 0                | 8,170             |
| 0                             | 0              | 0%            | 0              | 0%            | (2,520)         | 0               | 0%            | 0               | 0%            | 0                | 18,072            |
| <b>12,519</b>                 | <b>12,750</b>  | <b>98%</b>    | <b>13,164</b>  | <b>96%</b>    | <b>41,313</b>   | <b>36,767</b>   | <b>112%</b>   | <b>27,147</b>   | <b>152%</b>   | <b>142,920</b>   | <b>251,989</b>    |
| <b>20,965</b>                 | <b>5,998</b>   | <b>350%</b>   | <b>2,236</b>   | <b>937%</b>   | <b>84,951</b>   | <b>24,520</b>   | <b>346%</b>   | <b>22,305</b>   | <b>381%</b>   | <b>48,738</b>    | <b>328,721</b>    |
| <b>NET INCOME</b>             |                |               |                |               |                 |                 |               |                 |               |                  |                   |
| 0                             | 0              | 0%            | 0              | 0%            | 57              | 120             | 48%           | 126             | 45%           | 2,386            | 2,560             |
| 0                             | 0              | 0%            | 0              | 0%            | 447             | 900             | 50%           | 865             | 51%           | 15,810           | 13,904            |
| 0                             | 0              | 0%            | 0              | 0%            | 4               | 0               | 0%            | 0               | 0%            | 0                | 33                |
| 0                             | 0              | 0%            | 0              | 0%            | 508             | 1,020           | 50%           | 1,011           | 50%           | 18,196           | 16,407            |
| 0                             | 0              | 0%            | 0              | 0%            | 10,127          | 4,787           | 212%          | 3,939           | 257%          | 1,323            | 29,316            |
| 0                             | 0              | 0%            | 0              | 0%            | 1,136           | 563             | 202%          | 491             | 29%           | 173              | 3,281             |
| 0                             | 0              | 0%            | 0              | 0%            | 84              | 85              | 98%           | 85              | 98%           | 119              | 1,173             |
| 0                             | 0              | 0%            | 0              | 0%            | 9               | 10              | 94%           | 11              | 89%           | 16               | 155               |
| 0                             | 0              | 0%            | 0              | 0%            | 257             | 96              | 268%          | 80              | 323%          | 42               | 860               |
| 0                             | 0              | 0%            | 0              | 0%            | 29              | 13              | 219%          | 15              | 103%          | 12               | 173               |

**Financial Performance:**

**Revenues:**

January revenues outpaced 2021 actuals by \$15k or 10% but finished far behind budget. Overall, revenues were at \$165k on a budget of \$186.6k and a previous year of \$150.1k. Strong membership numbers continue to provide a solid monthly starting point, but the dues line missed budget by 1% for the month. This is due to a miss in January additions. We will need to see strong membership numbers in February and March to start making up ground.

The main revenue miss was Membership initiation. We were budgeted for seven membership additions and \$14k in initiation fees in January. While lead generation and membership inquiries were strong, with over 20 leads, the lack of a membership incentive program made membership sales difficult. We finished the month with no new members. An incentive program for February and March is in the approval process with the hopes of boosting new memberships.

Food & Beverage revenues provide another large miss to budget. While revenues exceeded prior year by 20%, the budget was aggressive, with projections outpacing pre-pandemic actuals. Revenues totaled \$20.5k on a budget of \$28k. The weather was cold, and the momentum from December slowed. We also moved to more limited days and hours which contributed to lower total volume.

There were no rounds of golf in January as we had consistent ground freeze throughout the month. Merchandise sales finished at \$2.2k on a budget of \$1.45k. The department saw the final special-order sales from this past year realized. With snow on the ground, little traffic, and low inventory, our out-of-shop sales were low. There are some new arrivals coming in March and April and golf season is right around the corner.

Through the first quarter of the fiscal year, revenues are outpacing budget by \$3k and prior year by \$81k (16%). Food & Beverage is entirely responsible with revenues exceeding budget by \$32k or 33%. Poor weather has left golf greens and cart fees significantly and has made membership additions slow.

### **Payroll:**

Payroll provided a large savings in January. The team finished the month at roughly \$79.4k on a budget of \$95.5k. This \$16k savings helped to offset the revenue miss. The largest savings came in Course & Grounds and Administration with Golf providing some additional savings with Rob Walls moving into a new role mid-month. We are still operating without a dedicated Membership & Marketing specialist and a Controller.

Through the first quarter, the club is 10% below budget in payroll, saving approximately \$30k. With Chef's departure at the end of January, the focus in February will be on filling his position, building our team, and creating a great working environment.

### **Expenses:**

Total expenses finished the month under budget by \$16k. OPEX were \$55.7k versus a budget of \$71.2k. Administration was the sole driver of these savings. Some of these savings appear temporary as our monthly cleaning services were billed late and will show in February. Building maintenance continue to run high versus budget as we take care of needed updates and improvements. We have continued to see savings in outside services on the accounting/administration side versus what was budgeted.

Cost of Goods ran inline with expectations in the Golf department with less out-of-inventory sales. The special orders were sold at regular margin. The department is still running high, but we should start to realize early pay discounts when spring inventory arrives. Food & Beverage COGS were significantly higher than budget. The Interim Chef from KemperSports cleaned out a lot of old product and left the new Chef in a better inventory position. With that said, through the first quarter, COGS % is 40.9 on a budget of 44.6%.

### **Summary:**

The club finished the first quarter on a positive note and is in great position as golf season approaches. EBITDA is \$63.5k on a budget of \$16.5k. 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. We are excited for warmer weather!

### **Key Performance Highlights:**

- Total revenues \$165k on budget of \$186.6k and prior year of \$150k.
- Dues finished at \$141.1k on a budget of \$143k, a miss of 1%. The dues line is currently \$10k higher than prior year. Membership sales success will be important in February and March as we work to make up ground.
- Payroll was under budget by \$16.1k in January.

- Expenses were \$16k under budget.
- COS finished at 74.5% for merchandise on budget of 95% and prior year of 78.5% and Food and Beverage finished at 67.0% on budget of 54.1% and prior year of 56.3%.
- We hosted successful chef's tasting dinners and a cocktail nights with approximately 30 people attending both events.

#### **Key Performance Issues:**

- **Staffing:** Chef Brian Wong announced his departure mid-month. KemperSports executed a plan for temporary help, and a chef search was started and completed before Brian's departure. 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 reimagined or a candidate is hired.
  - Golf Course Maintenance: Our new mechanic was hired and is doing well.

#### **Key Actions to Drive Performance:**

- Consistent Weekly Programming: Wed. - Kids Eat Free / Bingo; Thurs. – All You Can Eat Soup, Salad & Breadsticks, Fri. – Chef's Features; Sun. – Brunch.
- Scheduled limited programming knowing about Chef's departure.
  - Full programming and reimagined concepts will begin in March.
- Hired a Clubhouse Manager to oversee entirety of Food & Beverage operation.
  - Cohesive vision and more direct oversight.
- Golf is working to secure outing for the 2022 calendar year. There are currently 4 outings booked with several more in the pipeline.
- Grounds is working on a plan to improve water management techniques and bunker maintenance to improve overall playability for the 2022 season.