



January '23 Client Report

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

Overview:

January saw the club lose ground versus budgeted EBITDA. The club was closed for 10 days as the Clubhouse Renovation demolition phase began. Revenues finished slightly behind budget while payroll and expenses finished over budget for the second month in a row. In January the club finished with an EBITDA of \$23.2k versus a budget of \$32.5k.

Lincolnshire Fields
 Standard Summary Income Statement
 For the Three Months Ending January 31, 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
REVENUES												
72	0	0%	0	0%	Green Fees & Cart Fees	3,553	2,850	125%	4,767	75%	269,094	235,704
786	1,800	49%	2,218	35%	Merchandise	9,899	10,800	92%	14,530	69%	187,100	181,924
693	0	0%	774	90%	Other Pro Shop	1,372	0	0%	848	162%	50	7,721
0	0	0%	0	0%	Range	0	0	0%	0	0%	120	20
28,799	32,800	88%	20,516	140%	Food and Beverage	125,401	126,500	99%	130,323	96%	874,278	801,928
155,374	154,503	101%	141,117	110%	Membership Dues	459,317	446,988	103%	420,437	109%	1,804,715	1,730,679
0	0	0%	0	0%	Initiation Fees	0	0	0%	6,050	0%	96,000	51,697
4,592	4,592	100%	0	0%	Deferred I/Fee Rev Adj	13,775	13,775	100%	0	0%	(34,692)	13,775
0	0	0%	0	0%	Other Operating Revenues	0	0	0%	0	0%	22,950	24,818
782	(100)	-762%	502	152%	Other G&A Income	1,055	(300)	-352%	304	346%	(1,210)	4,378
191,076	193,395	99%	165,127	116%	TOTAL REVENUE	614,372	600,593	102%	577,260	106%	3,317,406	3,112,823
COST OF SALES												
521	1,520	34%	1,654	32%	Merchandise	8,291	8,986	92%	12,365	67%	143,231	142,245
13,937	12,476	112%	13,664	102%	Food & Beverage	53,955	48,115	112%	45,392	119%	327,148	300,388
14,458	13,996	103%	15,318	94%	TOTAL COGS	62,246	57,101	109%	57,757	108%	470,379	442,633
66.3%	95.0%	69.8%	74.5%	89.0%	COGS - Merchandise %	83.8%	83.2%	100.7%	86.1%	98.4%	76.6%	923.1%
60.7%	38.0%	158.6%	67.0%	90.6%	COGS - Food %	48.2%	38.0%	126.8%	40.9%	117.9%	37.4%	508.1%
PAYROLL												
24,903	24,743	101%	22,463	111%	Course and Grounds	91,688	96,697	95%	79,764	115%	597,776	490,439
5,069	4,351	102%	7,960	64%	Pro Shop	18,225	17,289	97%	27,325	62%	153,753	105,767
41,519	44,045	94%	38,869	113%	Food and Beverage	136,234	139,398	98%	119,069	115%	829,897	840,700
0	0	0%	0	0%	Other Operating Departments	110	0	0%	46	241%	69,913	59,676
18,736	14,674	134%	12,039	164%	General and Administrative	54,966	44,673	123%	43,880	125%	234,926	215,437
91,228	88,412	103%	79,371	115%	TOTAL PAYROLL	298,824	298,064	101%	269,081	111%	1,682,234	1,512,129
OPERATING EXPENSES												
6,327	5,534	114%	4,927	131%	Course and Grounds	20,990	20,692	101%	19,484	107%	317,496	309,557
0	0	0%	1,731	0%	Carts, Range, Starters, Etc.	3,462	3,462	100%	5,193	67%	20,182	22,424
807	250	322%	0	0%	Pro Shop	2,467	1,450	170%	1,829	135%	11,100	10,100
7,899	7,450	106%	5,787	137%	Food and Beverage	22,607	23,324	97%	18,615	121%	123,474	136,121
0	70	0%	56	101%	Other Operating Departments	175	210	83%	437	40%	29,465	29,353
47,087	45,215	104%	43,255	109%	General and Administrative	148,652	143,618	104%	141,365	105%	821,530	829,534
62,178	58,619	106%	55,656	112%	TOTAL OPERATING EXPENSES	198,222	192,746	103%	186,942	106%	1,123,279	1,135,888
167,863	160,927	104%	150,344	112%	TOTAL EXPENSES	560,302	547,911	102%	513,780	109%	3,275,882	3,080,648
23,214	32,468	71%	14,782	157%	EBITDA	54,070	52,683	103%	63,480	85%	41,514	21,875
FINANCING ACTIVITY												
(3,981)	(7,900)	51%	(5,088)	78%	Interest Expense - Debt	(6,636)	(23,700)	26%	(15,930)	42%	(94,800)	(37,659)
(3,102)	(1,673)	185%	(1,211)	235%	Interest Expense - Leases	(13,316)	(5,025)	265%	(4,093)	325%	(20,100)	(30,287)
322	0	0%	73	439%	Interest Income	669	0	0%	181	269%	0	1,944
(6,771)	(9,575)	71%	(6,337)	107%	TOTAL FINANCING ACTIVITY	(19,283)	(28,725)	67%	(19,842)	97%	(114,900)	(65,982)
OTHER INCOME (EXPENSE)												
51,161	49,000	104%	46,614	110%	Dues - Capital Improvement	150,238	147,000	102%	139,448	109%	588,000	586,321
0	0	0%	0	0%	Initiation Fees - Capital Improvement	0	0	0%	0	0%	6,208	0
3,750	0	0%	0	0%	Operating Assessments	3,750	0	0%	0	0%	0	3,750
(32,081)	(34,492)	93%	(34,065)	94%	Depreciation & Amortization	(96,244)	(103,476)	93%	(102,294)	94%	(413,904)	(408,359)
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)
22,829	14,508	157%	12,619	182%	TOTAL OTHER INCOME (EXPENSE)	57,744	43,524	133%	41,312	140%	180,304	169,272
39,272	37,401	105%	20,965	187%	NET INCOME	92,531	67,482	137%	84,951	109%	106,919	125,165
1	0	0%	0	0%	Paid Rounds	36	25	144%	57	63%	2,306	1,667
19	0	0%	0	0%	Member Rounds	354	350	101%	447	79%	12,600	11,534
0	0	0%	0	0%	Other Rounds	0	0	0%	4	0%	0	279
20	0	0%	0	0%	Total Rounds	390	375	104%	508	77%	14,906	13,480
191,076	0	0%	0	0%	Revenue/Paid Rounds	17,066	24,024	71%	10,127	169%	1,439	227,477
9,554	0	0%	0	0%	Revenue/Total Rounds	1,575	1,602	98%	1,136	139%	223	235,273
72	0	0%	0	0%	Green Fees / Cart Fees per Paid Rounds	89	114	67%	84	106%	116	1,776
4	0	0%	0	0%	Green Fees / Cart Fees per Total Rounds	9	9	100%	9	97%	18	351
1,440	0	0%	0	0%	F&B Revenue/Total Rounds	322	337	95%	257	125%	59	60,895
39	0	0%	0	0%	Merchandise Revenue/Total Rounds	25	29	86%	29	89%	13	3,751

Financial Performance:

Revenues:

January revenues finished at \$191.1k. This total was \$2.3k or 1% behind the \$194.4k budgeted and well ahead (\$26k) of prior year.

The dues line contributed \$155.4k, finishing slightly over budget. While there was significant membership interest, there were no memberships added.

Food & Beverage revenues finished the month at 28.8\$k versus a budget of \$32.8k. Given the club was closed for 10 days, this is a great finish to the month and shows some momentum heading into the new year. There were two large events held in the Dining Room prior to the shutdown which helped boost the total. The number was also helped by an unspent food minimum adjustment. After noting the significant difference between the unspent minimum in 2021 versus 2022 in last month's report, we discovered an error, which meant an additional \$5,837 needed to be reclassified.

The weather remained cold in January and the course was closed throughout the month. Merchandise sales finished the month at \$786 on a budget of \$1,600. Limited traffic always leads to fewer sales. The Clubhouse closure certainly did not help.

Payroll:

Payroll finished January slightly over budget, ending the month at \$91.2k versus a budget of \$88.4k. Administration was the sole cause of the overage while Food & Beverage provided modest savings.

As discussed last month, Matt Guyton, our new Administrative Assistant/Marketing Director, was hired in December. His position was not budgeted to begin until March so we will continue to see overages in Administration payroll through February. G & A payroll finished at \$19.7k for the month versus a budget of \$14.7k

Course & Grounds and Golf finished right on budget. These departments are operating with minimal staffing and mostly salaried labor and should continue to finish on budget.

Food & Beverage saved \$2.5k (6%) in January. While the Clubhouse was closed, we utilized the available time to deep clean both the kitchen and the bar. The full-time staff also used this period to take vacation time and be away from the club. While we did save some money during the closure, we wanted to take care of our staff first and foremost. Staff retention is a key focus during these slower months. We need to hit the ground running when the season starts.

Expenses:

OPEX were also over budget in January. Expenses ended at \$62.2k versus a budget of \$58.5k.

A fuel/diesel purchase in late December hit the expense line in January. This \$2k purchase was unbudgeted. The gas and oil line continues to run higher than anticipated despite significant budget increases following 2022.

Admin saw some additional expenses relating to the end-of-year close relating to unspent minimums and additional hours toward the audit. Gas utilities were higher than budgeted by roughly \$600.

Laundry and linen continue to be an issue within Food & Beverage. We were locked into our current contract by the prior chef, and our contracted pricing has increased significantly. We have been working with our vendor to reduce costs and are exploring alternatives.

The Cost of Goods in Golf was 66.32% on a budget of 95.0%. We are back on track at the end of the first quarter with a fiscal year. Matt and I have been reviewing the numbers monthly, but I will be working with him to better his understanding. There were minimal sales and no shrinkage in January.

Food COGS% was high again in January at 68.97% versus a budget of 41.91%. We had some waste on both the food and bar side due to the clubhouse closure, but this month's result is cause for concern as we have trended terribly through the first quarter. Adam and I have decided to take inventory in the middle of February. If we are trending for another bad month, Adam will take over the purchasing in the kitchen. We are beginning to worry about theft and will be monitoring closely.

Bar COGS% was 42.16% on a budget of 31.0%. We had approximately \$500 in open wine that was lost during the closure. The fiscal year number is a few percentage points under budget.

Summary:

The club met budgeted revenue targets but saw overages in both payroll and OPEX resulting in an EBITDA shortfall of \$9,254. Food & Beverage revenues outpaced last year despite a closure mid-month. The club finished with an EBITDA of \$54k versus a budget of \$52.7k through the first quarter of the fiscal year.

February will bring some normalcy. The 19th Hole will be open as the Clubhouse Renovation project continues. We launched a new menu at the end of January that was very well received. We are excited to see what February brings.

Key Performance Highlights:

- Total revenues of \$191,076 on budget of \$193,395 and prior year of \$165,127.
- Dues finished at \$155,374 on a budget of \$154,503.
 - First month of budget dues increase.
 - The monthly dues line is currently \$14.3k higher than the prior year.
 - There were no member additions in December.
- Payroll was over budget by \$2.8k in January.
 - Matt Guyton salaried position was not budgeted to begin until March.
 - All other departments at or below payroll budget.
 - Closure saw staff deep cleaning and using vacation time.
 - Staff retention during the off-season remains a key focus.
- OPEX finished at \$62.2k versus a budget of \$58.5k.
 - Over on fuel/diesel purchasing.
 - Over on outside accounting service dealing with fiscal year-end minimum spending and additional hours toward audit.
 - Laundry and linen expenses continue to run high.
 - Exploring options to break contract.
- COGS numbers in golf were inline on low sales volume. Food COGS finished high at 68.97% on a budget of 41.91%. Bar COGS finished at 42.16% versus a budget of 31.0%.
 - Food number is cause for concern. We will be performing a mid-month inventory and have started to consider theft.
 - Other factors may include employee meals, poor costing, or waste

Key Performance Issues:

- The Superintendent position was accepted by Paul Sermersheim at the end of January.
 - Paul will be joining us starting on March 1st.
- Assistant Golf Professional/Golf Shop Attendant position has been posted and a job search has started.
- Hiring search for pool manager and swim team has begun with several candidates interviewed.

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.
- January closure provided an opportunity to purge and clean the kitchen, bar, and storage areas.
- New website and club app are in development.
 - This will be a better member amenity.
 - Help with marketing and membership initiatives.
 - The website has been delayed due to some issues with Jonas webhosting.
- New Administrative Assistant / Marketing Director, Matt Guyton, started in December and has been doing great work so far.

Membership Update:

Current Membership Numbers: 414 Total

Equity	157
Junior	85
Under 35	30

35-37	34
38-39	21
Social	110
Honorary	43
Honorary Social	2
Dining	12
Non-Resident	5

Membership Additions – We are budgeted for 48 membership additions in 2023. The first budgeted membership sales are in March.

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

RESIGNED MEMBERS	MEMBERSHIP TYPE	OFF THE SYSTEM	REMARKS
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