

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

### Overview:

July was a strong month at LFCC with revenues finishing ahead of budget by \$26k and flat-to-budget payroll and OPEX driving those gains straight to the bottom line. Overall, the property finished ahead of EBIDTA by \$29k. Revenues in F&B and golf were ahead of budget by 18% with great COGs numbers providing additional flow through.

Lincolnshire Fields  
 Standard Summary Income Statement  
 For the Nine Months Ending July 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>											
43,270	39,840	109%	43,393	100%	145,022	163,941	89%	166,019	87%	289,871	289,919
34,301	28,000	123%	28,614	120%	110,221	137,900	80%	135,994	81%	212,300	187,504
2,217	0	0%	576	360%	3,319	0	0%	3,089	107%	0	8,121
10	0	0%	30	3%	20	0	0%	225	9%	0	70
134,144	115,577	116%	132,256	101%	605,281	550,821	110%	506,598	110%	763,236	817,907
150,844	148,575	102%	142,108	106%	1,288,499	1,304,931	99%	1,198,264	107%	1,748,301	1,710,711
5,000	6,000	83%	5,000	100%	83,600	127,000	66%	106,600	78%	127,000	89,600
3,916	9,500	41%	6,721	59%	20,441	19,950	102%	23,376	87%	23,600	24,951
146	0	0%	(211)	-63%	395	0	0%	(1,079)	36%	0	3,656
<b>373,848</b>	<b>347,673</b>	<b>108%</b>	<b>358,487</b>	<b>104%</b>	<b>2,266,789</b>	<b>2,304,543</b>	<b>98%</b>	<b>2,139,486</b>	<b>105%</b>	<b>3,166,307</b>	<b>3,118,440</b>
<b>COST OF SALES</b>											
24,129	21,200	113%	23,944	101%	84,000	105,739	79%	107,832	79%	162,523	140,844
40,469	45,152	90%	48,446	87%	211,228	219,210	96%	182,035	116%	298,978	287,677
<b>64,597</b>	<b>66,432</b>	<b>97%</b>	<b>70,390</b>	<b>92%</b>	<b>295,228</b>	<b>324,948</b>	<b>91%</b>	<b>289,867</b>	<b>102%</b>	<b>461,500</b>	<b>428,621</b>
<b>70.3%</b>	<b>76.0%</b>	<b>92.6%</b>	<b>83.7%</b>	<b>84.1%</b>	<b>76.2%</b>	<b>76.7%</b>	<b>99.4%</b>	<b>79.5%</b>	<b>95.9%</b>	<b>76.6%</b>	<b>898.2%</b>
<b>30.2%</b>	<b>39.1%</b>	<b>77.2%</b>	<b>35.1%</b>	<b>85.9%</b>	<b>36.6%</b>	<b>39.8%</b>	<b>91.9%</b>	<b>37.3%</b>	<b>97.9%</b>	<b>39.2%</b>	<b>491.8%</b>
<b>PAYROLL</b>											
52,022	54,861	95%	50,478	103%	334,770	362,685	92%	321,530	104%	519,260	463,735
15,400	18,868	81%	18,256	84%	89,284	116,207	76%	105,187	84%	185,633	120,771
77,047	88,938	88%	70,355	110%	454,095	426,659	106%	362,321	125%	577,048	606,774
19,940	23,245	86%	28,102	70%	44,741	54,768	82%	58,720	76%	75,081	57,372
18,179	20,504	89%	21,016	87%	156,622	190,588	82%	191,138	82%	250,436	217,250
<b>182,587</b>	<b>185,675</b>	<b>98%</b>	<b>186,206</b>	<b>98%</b>	<b>1,078,623</b>	<b>1,150,897</b>	<b>94%</b>	<b>1,038,895</b>	<b>104%</b>	<b>1,586,469</b>	<b>1,474,904</b>
<b>OPERATING EXPENSES</b>											
52,156	49,405	106%	51,220	102%	215,212	208,758	103%	201,845	107%	294,781	309,754
5,115	1,731	295%	3,361	151%	18,962	19,459	97%	17,228	110%	20,582	29,833
1,895	2,295	83%	542	344%	6,262	6,670	94%	9,209	68%	10,180	9,203
15,372	18,553	83%	11,959	129%	90,800	83,773	108%	88,274	123%	109,196	116,535
6,588	3,600	183%	3,462	190%	24,549	18,099	136%	14,959	164%	23,149	32,115
53,881	57,340	94%	51,783	104%	429,054	463,910	92%	395,215	109%	623,731	608,117
<b>134,987</b>	<b>132,925</b>	<b>102%</b>	<b>122,349</b>	<b>110%</b>	<b>784,839</b>	<b>803,669</b>	<b>96%</b>	<b>706,731</b>	<b>111%</b>	<b>1,087,630</b>	<b>1,105,668</b>
<b>382.172</b>	<b>385,032</b>	<b>99%</b>	<b>378,945</b>	<b>101%</b>	<b>2,158,590</b>	<b>2,279,516</b>	<b>95%</b>	<b>2,035,293</b>	<b>106%</b>	<b>3,135,589</b>	<b>3,009,082</b>
<b>(8,324)</b>	<b>(37,459)</b>	<b>22%</b>	<b>(20,458)</b>	<b>41%</b>	<b>98,199</b>	<b>25,028</b>	<b>392%</b>	<b>104,193</b>	<b>94%</b>	<b>20,718</b>	<b>109,368</b>
<b>FINANCING ACTIVITY</b>											
(1,284)	(9,575)	13%	(5,367)	24%	(43,024)	(86,175)	50%	(50,998)	84%	(114,900)	(59,406)
(4,319)	0	0%	(1,434)	301%	(13,889)	0	0%	(13,899)	100%	0	(20,330)
188	0	0%	65	294%	1,095	1	0%	1,493	233%	0	1,157
<b>(6,436)</b>	<b>(9,575)</b>	<b>57%</b>	<b>(6,749)</b>	<b>81%</b>	<b>(55,897)</b>	<b>(86,175)</b>	<b>66%</b>	<b>(64,407)</b>	<b>87%</b>	<b>(114,900)</b>	<b>(78,579)</b>
<b>OTHER INCOME (EXPENSE)</b>											
49,961	48,595	103%	46,448	108%	425,289	427,826	99%	401,017	100%	572,348	586,045
0	0	0%	0	0%	0	0	0%	106,682	0%	0	0
(34,095)	(36,217)	94%	(34,492)	98%	(306,853)	(320,777)	96%	(310,425)	98%	(429,428)	(429,143)
0	0	0%	0	0%	9,670	0	0%	1,500	445%	0	8,670
0	0	0%	0	0%	(5,754)	0	0%	0	0%	0	14,838
<b>15,866</b>	<b>12,378</b>	<b>128%</b>	<b>11,956</b>	<b>133%</b>	<b>119,361</b>	<b>106,849</b>	<b>112%</b>	<b>198,774</b>	<b>60%</b>	<b>142,920</b>	<b>168,409</b>
<b>2,106</b>	<b>(34,656)</b>	<b>-6%</b>	<b>(15,248)</b>	<b>-14%</b>	<b>161,673</b>	<b>45,702</b>	<b>354%</b>	<b>238,560</b>	<b>68%</b>	<b>48,738</b>	<b>189,188</b>
470	389	121%	494	97%	997	1,483	67%	1,562	64%	2,386	2,064
1,834	2,845	73%	2,452	79%	7,290	9,890	74%	9,421	77%	15,810	12,211
279	0	0%	6	4550%	283	0	0%	20	1415%	0	282
2,663	3,034	88%	2,942	91%	8,570	11,163	77%	11,003	79%	18,198	14,567
795	894	89%	741	107%	2,264	1,575	144%	1,370	165%	1,323	45,021
139	115	122%	122	114%	263	207	127%	194	135%	173	3,881
92	103	90%	90	103%	145	112	130%	106	137%	119	1,655
16	13	123%	15	109%	17	15	115%	16	112%	18	183
50	38	131%	45	111%	71	49	143%	46	153%	42	1,029
13	9	139%	10	131%	13	12	104%	12	105%	12	171

### Financial Performance:

#### Revenues:

July revenues finished at \$373.8k versus a budget of \$347.6k and prior year actuals of \$358.5k. July was a slower sales month with three membership additions and two resignations. This was in line with expectations. The dues line contributed \$150.8k, ahead of budget for the second straight month. Dues should continue to close the gap for the remainder of the fiscal year and now trail the budget by \$16.5k. There are no new memberships budgeted for the remainder of the year. Interest continues to be strong so there is an opportunity to make up ground on the initiation fee line during the last quarter.

Food & Beverage revenue continued a strong trend with \$134k in total sales, outpacing the \$115.5k budget by 16%. Food & Beverage totals are \$99k ahead of prior year actuals for the fiscal year.

Golf revenues had a solid rebound after struggling for much of the year. The club hosted three outside events in July. These contributed to strong greens and cart fee totals. There were 2,683 rounds played in July versus 2,942 in 2021, down 7.6%. Cart fees finished the month \$3.5k ahead of the \$25.2k budgeted. That number is inflated slightly as rental costs were not entered and will be reflected in August. Guest fee revenues were right on the budget of \$14.5k. Merchandise sales finished 23% ahead of the budget at \$34.3k.

For the fiscal year, total revenues throughout the facility are now trailing the budget by \$47.7k (2%) while outpacing the prior year by \$165k (5%).

### **Payroll:**

Payroll provided modest savings in July, finishing the month at \$182.6k on a budget of \$185.7k. Payroll in Food & Beverage continues to run high as we work through the busiest part of the year with full operations in both the Clubhouse and at Stingrays. Tennis payroll also was higher than expectations due to adders related to lessons.

Food & Beverage operated over budget with a total payroll of \$77k on a budget of \$68k. Given organizational changes within the management structure, in-house cleaning, and increased payroll in the kitchen, this miss continues to be expected. We are short-staffed heading into August so we may see some unwanted savings on the Front of House side. We are still hiring, training, and hoping to continue to provide great service. For the fiscal year, the total payroll in F&B is now 6% above budget at \$454k versus a budgeted \$426.7k.

Course & Grounds payroll provided savings of \$2.8k for the month. The department has been consistently below payroll expectations this year. Aquatics payroll was down 25%. Golf payroll continues to provide monthly savings with the shuffle of management staff, but hourly wages are within expectation. Administration payroll was \$2k under budget. This department should provide savings for the remainder of the year with Lauren Kuleck's departure.

For the fiscal year, the club is still 6% below budgeted payroll, saving \$73.7k. July continued our busiest stretch of the season. We are shorter-staffed heading into August but are continually hiring in the hopes to fill the service gaps. We will continue to operate efficiently throughout the property and are looking forward to finishing the summer strong.

### **Expenses:**

OPEX ran just over budget again in July with increased overhead for utilities, some maintenance and repair, a deferred range ball delivery, and new on-course accessories. Operating expenses finished the month at \$135k versus a budget of \$133k.

Course & Grounds finished over budget, spending \$52.1k versus a budget of \$49.4k. Despite nice savings on fertilizer and chemicals, utilities and fuel expenses increased significantly, and the club purchased new out-of-bounds stakes and Kirby yardage markers for the fairways.

New range balls finally arrived after being deferred from May. This expense had been noted over the last few months. The pool heater needed to be replaced which led to a \$2.5k maintenance expense. Utilities increased across the property.

Again, we are still seeing some artificial savings versus budget because we have not been billed for the annual audit. In addition, we have moved the expense for contract cleaning to the payroll line as we are now performing this service in-house.

Cost of Goods in Golf was 70.34%. A great sales month in addition to a good COGs month. This was the correction we were hoping for following higher COGS in June. Merchandise COGS % is now 76.21% for the year.

Beverage COGS% were low, finishing the month at 24.20% versus a 33.57% expectation. Food COGS% was 35.01% on a budget of 42.36%. Both Adam and Ted have done a great job of managing inventory and pricing during these times of fluctuation.

## Summary:

The club had a good revenue month, especially in Food & Beverage and Golf. Controlled payroll and expenses in addition to great Cost of Goods numbers drove more revenue to the bottom line. In addition, the dues line will be gaining ground for the remainder of the season. The club finished the month \$29k ahead on EBITDA. For the year, EBITDA is \$98.2k on a budget of \$25k.

As the staffing market tightens and school starts, we hope to continue with strong momentum in August. We had great weather and hosted several golf outings in August last year. We do not have any outings on our calendar in August 2022. There is still a lot to look forward to as we host the Club Championship and Hullabaloo.

## Key Performance Highlights:

- Total revenues \$373.8k on budget of \$347.6k and prior year of \$358.5k.
- Dues finished at \$150.8k on a budget of \$148.5k.
  - The monthly dues line is currently \$8k higher than prior year.
  - The dues line is outpacing prior year by \$90k through the third quarter.
  - Three members were added in July.
- Payroll was under budget by \$3k in July.
- OPEX finished at \$135k versus a budget of \$133k.
  - Range balls were delayed from May
  - Increased utility & fuel costs across the property.
  - Maintenance and repair of pool heater.
  - On-course accessories ordered and installed.
- Great COGS numbers with 70.34% for merchandise on budget of 76% and Food and Beverage finishing at 30.17% on budget of 39.07% and prior year of 35.12%.
- Member Guest Invitational was hosted with an expanded field in mid-July.
  - Event was well received with notes for improvement next season.

## Key Performance Issues:

- Payroll was high in Food & Beverage.
  - Fully operational in Clubhouse & Stingrays.
  - Staff attrition means more hiring, more training, and more operational coverage for our management team.
  - We have added some flex kitchen staff to help clean the building after contract cleaning services were canceled.
- We continue to have areas of need on the supply and maintenance side.
  - The building's deferred maintenance is slowly being addressed.
    - New silverware was ordered in July. Glassware to follow in August.
  - Scott has communicated the need for equipment repair and maintenance given the delay in receiving new equipment from manufacturers.
  - Air Conditioning unit in Golf Shop was replaced. We are still waiting on the large rooftop units for the Kitchen and 19<sup>th</sup> Hole.
- We are seeing end-of-summer attrition within the staff and will need to adjust hours of operation given low levels of staffing.
- Marketing and events have taken a hit with recent changes to the management team.

## Key Actions to Drive Performance:

- League programming will wrap up in August.
- Turn station for weekend play has been a success.
- New signage for clubhouse and grounds initiated. Installation in August.
- New website and club app are being explored.
  - Added amenity for the membership.
- Club Championship and Hullabaloo in August.

## Membership Update:

Current Membership Numbers: 439 Total

Equity	<b>168</b>
Junior	<b>97</b>
Under 35	35
35-37	46
38-39	16
Social	<b>114</b>
Honorary	<b>38</b>
Honorary Social	<b>3</b>
Dining	<b>12</b>
Non-Resident	<b>7</b>

Membership Additions – We have added 48 memberships on a budget of 44 for the fiscal year.

Membership Attrition – We have seen an attrition of 30 on a budget of 25 for the fiscal year.

### March

- (1) Phil & Jill Norfleet (Equity) – 3/5
- (2) Todd & Mai McTaggart (Junior) – 3/5
- (3) Polly & Brad Hatfield (Equity) – 3/11
- (4) Jason & Carly Sakowski (Social) – 3/18
- (5) Barb & Tom Harrington (Non-Resident) – 3/18
- (6) Ken & Theresa Campbell (Equity) – 3/21
- (7) Cynthia & Tony Bruno (Junior) – 3/22
- (8) Chris Atkinson (Non-Resident) – 3/23
- (9) Caleb & Deserai Miller (Equity) – 3/25
- (10) Dwayne & Mary Owen (Dining) – 3/26
- (11) Benjamin Dyer & Katherine Boyle (Social) – 3/26

### April

- (12) Michael Karras & Audrey Bebensee (Junior) – 4/1
- (13) Megan & Jonathan Velchek (Social) – 4/6
- (14) James & Ashley Daley (Social) – 4/9
- (15) Clint & Julia Cocagne (Junior) – 4/12
- (16) Eddie & Jiwon Lee (Junior 38-39 membership) – 4/26
- (17) Jon Hawk & Melissa Clark (Social membership) – 4/27
- (18) Joshua Kim (Junior Under 35 membership) – 4/27
- (19) Ernest & Ruth Kwak (Junior Under 35 membership) – 4/29
- (20) Jeffrey Lee (Junior <35 membership) – 4/29

### May

- (21) Jeremy Janes (Junior <35 membership) – 5/3
- (22) Natalie Roberts & Patricia Ballesteros (Social membership) – 5/10
- (23) Zach & Brittney Wetherell (Social membership) – 5/13
- (24) Travis & Nicole Miller (Social membership) – 5/13
- (25) Lauren & Kyle McClure (Junior 35-37 membership) – 5/13
- (26) Patrick & Natalie Miller (Social membership) – 5/13
- (27) Matthew Mondy & Emily Lane (Junior Under 35 membership) – 5/13
- (28) Aaron & Jenn Sutton (Equity membership) – 5/16
- (29) Ryne Somers & Kari Gibson (Junior Under 35 membership) – 5/17
- (30) Jeff & Laura Finke (Equity membership) – 5/17
- (31) Daisy Oregon (Junior Under 35 membership) – 5/24
- (32) Josh & Jenn Hinds (Junior 35-37 membership) – 5/25
- (33) Cain & Sarah Burgener (Junior Under 35 membership) – 5/25
- (34) Don & Amanda Beckler (Social membership) – 5/28

### June

- (35) Jonathan & Alexandra Griffin (Junior 35-37) – 6/9

- (36) Duncan Hendrickson & Krista Vansant (Junior Under 35) – 6/9  
 (37) Jamie Propps & Umi Essien (Equity) – 6/20  
 (38) Randy & Kimberly Lane (Social) – 6/30  
 (39) Wes & Morgan Stone (Junior 35-37) – 7/2  
 (40) Adam & Amanda Christ (Social) – 7/26  
 (41) Bill Armstrong (Equity) – 7/27

<b>RESIGNED MEMBERS</b>	<b>MEMBERSHIP TYPE</b>	<b>OFF THE SYSTEM</b>	<b>REMARKS</b>
CINDY WARREN	NON-RESIDENT	1/25/2022	DECIDED NOT TO RENEW
BEN RODRIGUEZ	NON-RESIDENT	1/25/2022	DECIDED NOT TO RENEW
JOE BENIACH	EQUITY	1/25/2022	NO REASON GIVEN
PAMELA QUINLAN	SOCIAL	1/25/2022	NOT ENOUGH USAGE
MARK WOLTERS	SOCIAL	1/25/2022	MOVED TO MAHOMET
ALEX ZHONG	JUNIOR	1/25/2022	MOVED OUT OF STATE
MIKE BROEREN	EQUITY	2/25/2022	NO REASON GIVEN
MICHAEL KEHL	JUNIOR	2/25/2022	NOT ENOUGH USAGE
MBU MONGWA	SOCIAL	2/25/2022	NO REASON GIVEN
PAUL PARK	SOCIAL	2/25/2022	MOVED OUT OF STATE
PETER SCHMIDT	EQUITY	2/25/2022	DOWNSIZING
JOSHUA USSIRI	JUNIOR	2/25/2022	MOVED OUT OF STATE
SAM MCGREW	DINING	3/25/2022	NO REASON GIVEN
MARCI SMITH	SOCIAL	3/25/2022	NOT ENOUGH USAGE
ROD ARENDS	EQUITY	3/25/2022	NO REASON GIVEN
SHAWN KINKADE	JUNIOR	4/25/2022	NO REASON GIVEN
CLIFF SCHWARTZ	DINING	4/25/2022	HEALTH ISSUES
MICHAEL PORTER	JUNIOR	5/25/2022	MOVING OUT OF STATE
CRAIG DETAMORE	SOCIAL	6/25/2022	FINANCIAL
SETH SWARTZ	JUNIOR	6/25/2022	MOVING OUT OF STATE
DEREK BRASHEAR	NON-RESIDENT	6/25/2022	NOT RENEWING
JIMMY OH	JUNIOR	7/25/2022	MOVING OUT OF STATE
ALAN DODDS	EQUITY	7/25/2022	MOVING OUT OF STATE
JOHN GERRITY	JUNIOR	8/25/2022	NOT ENOUGH USAGE
JESS COLLINS	JUNIOR	9/25/2022	NOT ENOUGH USAGE