

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

Overview:

July was another busy month at the club with revenue far outpacing the budget. Elevated payroll and OPEX due to increased demand led to a small EBITDA gain versus budget. The club finished with an EBITDA of \$4,176 versus a budget of (\$2,655).

Lincolnshire Fields
 Standard Summary Income Statement
 For the Nine Months Ending July 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											
52,479	50,550	104%	43,270	121%	161,143	170,294	95%	145,022	111%	269,094	253,119
23,398	32,000	73%	34,301	69%	114,081	117,800	97%	110,221	104%	197,100	190,415
(24)	10	-240%	2,217	-1%	1,627	40	4088%	3,319	49%	50	5,507
181,460	127,160	143%	134,144	136%	702,692	646,886	109%	605,281	110%	874,278	904,258
0	0	0%	0	0%	0	0	0%	0	0%	0	0
168,482	167,254	101%	150,844	112%	1,419,684	1,409,860	101%	1,288,499	101%	1,904,715	1,882,983
25,500	8,000	319%	5,000	510%	144,950	99,000	150%	83,600	172%	96,000	118,197
(19,408)	(2,400)	609%	0	0%	(97,789)	(51,467)	190%	0	0%	(94,692)	(97,769)
7,338	4,250	173%	3,916	187%	23,817	20,200	118%	20,441	117%	22,950	27,995
261	(100)	-261%	146	170%	5,244	(900)	-530%	385	136%	(1,200)	8,487
439,466	386,756	114%	373,848	118%	2,474,609	2,408,693	103%	2,256,785	103%	3,317,406	3,293,232
COST OF SALES											
16,414	24,320	67%	24,129	69%	89,805	90,216	100%	84,000	107%	143,231	152,124
61,337	47,024	130%	40,469	152%	262,776	242,379	108%	211,228	124%	327,148	343,371
77,751	71,344	109%	64,597	120%	362,581	332,595	106%	296,228	119%	470,379	495,495
70.2%	76.0%	92.3%	70.3%	99.7%	78.7%	76.7%	102.6%	76.2%	103.3%	76.6%	94.0%
34.3%	37.0%	92.6%	30.2%	113.6%	38.6%	37.6%	103.6%	38.6%	106.1%	37.4%	94.0%
PAYROLL											
59,021	66,311	89%	53,022	113%	361,822	423,093	86%	334,770	108%	597,776	595,566
21,370	19,824	108%	15,400	139%	92,037	112,608	82%	88,294	104%	153,763	120,031
88,505	61,593	144%	77,047	115%	520,428	483,229	112%	454,995	115%	629,867	698,955
26,037	21,739	120%	19,940	131%	62,942	49,137	128%	44,741	141%	66,913	77,812
27,561	19,897	139%	18,179	152%	198,082	175,299	113%	156,622	126%	236,926	245,911
222,894	189,454	117%	182,587	122%	1,236,313	1,223,364	101%	1,078,623	116%	1,682,234	1,638,176
OPERATING EXPENSES											
38,460	49,574	78%	52,156	74%	176,577	230,176	77%	215,212	82%	317,498	289,545
2,502	2,205	113%	5,156	49%	5,964	13,577	44%	18,962	31%	20,192	11,157
3,143	1,100	286%	1,865	169%	12,922	6,050	191%	6,262	209%	11,100	16,121
20,375	13,953	146%	15,372	135%	109,185	87,617	125%	90,800	139%	123,474	150,515
4,751	5,945	84%	8,698	72%	25,126	20,395	123%	24,549	102%	29,495	30,193
85,724	57,037	151%	53,891	122%	478,882	462,430	104%	429,504	112%	621,520	670,984
134,944	128,613	105%	134,987	100%	808,756	822,235	98%	784,839	103%	1,123,279	1,148,615
435,290	389,411	112%	382,172	114%	2,396,649	2,378,194	101%	2,168,690	111%	3,275,882	3,282,186
4,176	(2,655)	-157%	(6,324)	60%	77,960	30,389	257%	96,199	79%	41,514	11,046
FINANCING ACTIVITY											
(24,810)	(7,900)	314%	(1,294)	1932%	(59,695)	(71,100)	83%	(43,024)	136%	(94,800)	(62,624)
12,845	(1,675)	-75%	(4,319)	-93%	(6,446)	(16,075)	41%	(13,866)	46%	(20,100)	(13,622)
1,562	0	0%	168	930%	5,419	0	0%	1,005	539%	0	5,871
(10,603)	(9,575)	111%	(5,436)	195%	(60,722)	(66,175)	69%	(65,887)	107%	(114,900)	(70,375)
OTHER INCOME (EXPENSE)											
53,913	49,000	110%	49,891	109%	460,298	441,000	104%	425,299	109%	598,000	610,529
1,500	1,000	150%	0	0%	4,936	3,208	154%	0	0%	6,208	4,936
1,000	0	0%	0	0%	0	0	0%	0	0%	144,775	0
(37,400)	(34,482)	108%	(34,095)	110%	(298,180)	(310,429)	96%	(306,853)	97%	(413,304)	(406,726)
20,712	0	0%	0	0%	20,712	0	0%	6,670	211%	0	20,712
0	0	0%	0	0%	(14,127)	0	0%	(5,756)	245%	0	(23,333)
39,724	15,698	256%	15,866	250%	317,414	133,790	237%	119,361	266%	180,304	350,693
33,297	3,278	1016%	2,106	1581%	335,652	77,994	430%	161,673	208%	106,919	291,564
191	530	36%	470	41%	581	1,608	36%	897	69%	2,306	1,272
2,219	2,300	96%	1,934	115%	7,344	6,150	90%	7,280	101%	12,600	11,691
0	0	0%	279	0%	3	0	0%	283	1%	0	3
2,410	2,890	85%	2,693	90%	7,928	9,756	81%	6,570	83%	14,900	12,956
2,301	730	315%	795	289%	4,259	1,500	284%	2,264	188%	1,439	245,149
192	137	139%	139	131%	312	247	126%	265	219%	223	242,989
275	95	288%	92	298%	277	106	262%	145	191%	116	2,632
22	18	122%	16	130%	20	17	116%	17	120%	18	397
75	45	168%	50	151%	89	66	134%	71	125%	59	62,131
10	11	89%	13	76%	14	12	119%	13	112%	13	3,963

Financial Performance:

Revenues:

July revenues finished at \$439.5k, outpacing the budget by \$52.7k and the prior year by \$64.6k.

The dues line contributed \$168.5k, roughly \$1,200 ahead of the budget. This was the first time since March that the dues line has outpaced the budget. Through the third quarter, dues sit \$10k above budget at \$1.42M. Membership sales continued their strong pace in July with 8 total memberships sold for \$25.5k in initiation fees. The club has added 58 new members this year and collected \$144,050 in initiation fees. This surpasses the record of \$112,600 from 2021.

Food & Beverage revenues continued their strong trend, finishing the month at \$181.5k versus a budget of \$127.2k and a prior year of \$134.1k. The weather in July was favorable with warm temperatures and modest rain. The pool was packed throughout the month and there was a single pool closure due to rain/wildfire smoke. The membership has been out in force, and I believe the F&B team is providing a more consistent experience at the pool and in the clubhouse. We also continue to see great private member event bookings of the new dining space.

The course saw 2,410 total rounds in July, down 10.2% versus the 2,683 rounds in 2022. Greens fees missed budget targets by \$2.8k, finishing the month at \$19.5k on a budget of \$22.3k. Cart fees finish the month slightly ahead of budget at \$33k versus a budget of \$28.3k. I have challenged Matt to be more diligent in rounds of golf tracking. I believe some rounds are not making it onto the tee sheet when we have events or outings. I will be auditing the rounds in August.

Merchandise sales were slow in July with special orders continuing to trend well below budget. For the month, the total merchandise concession was \$23.4k against a budget of \$32k. Merchandise sales are now pacing behind budget for the first time this season. Special orders are the main culprit as we have lost momentum through fitting day events. Out-of-inventory sales continue to trend well during a solid membership year, and we have a nice inventory assortment heading into credit book season.

Payroll:

Payroll finished 17% over budget at \$222.6k. Food & Beverage, Administration, Golf and Aquatics all contributed to the miss. Course & Grounds continued to provide savings.

Course & Grounds operated significantly under budget with a payroll of \$59k against a projected \$66.3k. As stated previously, we will continue to see savings over the next few months in this department following Scott Werner's passing. Paul is feeling much better about his staffing position, and we ran with a full crew in July. We anticipate a few staff going back to school in August, but he plans to hire a few fall staffers to fill the gaps.

Golf payroll finished the month at \$21.4k versus a budget of \$19.8k. This is the first month that Golf has been over budget in recent memory. The department was fully staffed throughout the month and overstaffed for the Member Guest Invitational. Our seasonal staff will be going back to school and starting fall sports in August. I would expect to see savings in August. Matt and his staff have operated \$20k under budget for the fiscal year.

Food & Beverage finished the month well over budget again in July. The department finished at \$88.5k versus a budget of \$61.6k. We were busy in all areas of the operation in July. Both the pool and clubhouse saw increased traffic, and we are establishing a new baseline of coverage. The membership feedback has been consistently positive regarding both the food and the service. The front-of-house staff will be thin in August as servers go back to school, and we may need to limit hours at Stingrays. The kitchen will remain fully staffed.

Administrative payroll spending was high as well, totaling \$27.7k versus the \$20k expected. The Marketing Director role continues to run over budget as we originally planned for a part-time position. Membership sales also equal additional payroll dollars as there is a commission attached to these sales. Good membership months mean additional payroll spend. This is a tradeoff we will gladly take.

Aquatics came in over budget, but payroll was much improved versus prior months, finishing over budget by 2.9k. We operated with full staffing in July. There was one pool closure due to weather throughout the month. July was a more efficient month with fewer guards on the schedule. We have a full rotation without the waste we saw in May and June. I received some pushback from the management team on hot days in the summer, but I believe we established a better baseline of need as we budget for next year.

Through the third quarter, payroll is at \$1,235k on a budget of \$1,233k.

Expenses:

July OPEX ended at \$134.9k versus a budget of \$128.6k.

Grounds provided significant savings again in July thanks to chemical spending. There was overage in fertilizer, supplies, and various repair/maintenance of equipment. Paul is still figuring out his budget needs and has spent less on some traditional practices. His operating expenses are currently 53.6k below budget and \$38.6k below prior year.

The main overage versus budget related to repair and maintenance of equipment. We had HVAC issues in both the 19th Hole and the kitchen during the hottest stretch of July. We also had our beer cooler go down which required repair, a kitchen salad cooler that was repaired before eventually being replaced for \$4,000. We also had computer terminals installed in the new dining room area and the Golf Shop. Supplies in Food & Beverage and for building cleaning continue to be expensive. We also continued to spend more on entertainment and social events to enhance our programming.

The Cost of Goods in Golf was 70.15% on a budget of 76.0%. This was a rebound month after running consistently high over the last several months. The Shop is full of inventory, and we anticipate strong sales to continue. We will budget for a higher percentage in 2024 as our costing is fixed.

Food COGS% was 39.17% on a budget of 41.5%. Inventory levels are still high, and Adam is working with Miguel to bring that number down significantly. Increased sales volume helped drive COGs down for the second consecutive month. The Member Guest Invitational ran at a higher food cost than the rest of the month, but we were able to overcome this.

Bar COGS% finished the month at 28.06% against a budget of 31%. Volume helped a lot as we moved through inventory without much purchasing. We were able to buy some closeout Truly that was used at the Member Guest Invitational.

Summary:

The club finished the month 14% above revenue targets with overages in both payroll and OPEX. The club finished \$6.8k ahead of the budgeted EBITDA at \$4,176. The club is still positioned well for the fiscal year. We are now sitting with an EBITDA of \$77,960 versus a budget of \$30,389.

August will be another busy month at LFCC. We will host the Club Championship and Hullabaloo golf events. We also will wrap up league play for the season, host a couple Nine & Dines, and prepare for Labor Day. It has been great to see the support of the membership this season.

Key Performance Highlights:

- Total revenues of \$439,466 on budget of \$386,756 and prior year of \$373,848.
- Dues finished at \$168,462 on a budget of \$167,254.
 - The monthly dues line is currently \$17.6k higher than the prior year.
 - There were 8 membership additions in July.
- Payroll was over budget by \$33.1k in July.
 - Food & Beverage operated \$26.9k over budget tracking with increased revenues.
 - Aquatics over budget by \$3k with more efficient spending.
 - Noted improvement in staffing levels versus prior months.
 - Administration finished \$7.6k over budget with marketing position and initiation fee commissions.
 - Course & Grounds saw significant payroll savings (\$7K).
 - The department is fully staffed with some anticipated shortages in August.
- OPEX finished at \$134,944 versus a budget of \$128,613.
 - Significant savings in chemicals.
 - Additional repair of HVAC unit for 19th Hole & Kitchen, cooler repaired then replaced in kitchen.
 - Social event expenses higher as we enhance our offerings.
 - Supplies for Food & Beverage and daily cleaning have increased in cost.
- COGS numbers in golf were 70.15%. Food COGS finished at 39.17% on a budget of 41.5%. Bar COGS finished at 28.06% versus a budget of 31.0%.
 - Food COGS down as sales volume increased.
 - Bar COGS low with sales volume and closeout pricing on product.
 - Food & Beverage inventory levels are an issue and has been addressed.

Key Performance Issues:

- July was another great weather month which meant golf and pool season was in full swing.
 - Rain early in June led to herbicide/fungicide application.
 - The golf course continues to be dry and arid.
- Full services in Food & Beverage at all facilities.
- Golf is more fully staffed.
 - We anticipate some staffing shortages in August as sports and school start.
- We anticipate staffing challenges in Aquatics and Front of House in August.

Key Actions to Drive Performance:

- Clubhouse renovation was completed in early June. We have been hosting events in the new space with rave reviews.
- Pool and Stingrays are fully open. Stingrays will have afternoon weekday hours in mid-August. Lifeguards will be limited starting in mid-August.
- Club Championship, Hullabaloo, Nine & Dines, and Labor Day are all ahead on the calendar.
- The new website is fully launched and the member app is updated.
 - We are exploring ways to enhance the membership app for 2024.
- Golf course bunker renovation is scheduled for late September start.
 - Contract should be finalized by the end of August.

Membership Update:

Current Membership Numbers: 461 Total

Equity	174
Junior	109
Under 35	44
35-37	38
38-39	21
Social	115
Honorary	40
Honorary Social	2
Dining	12
Non-Resident	9

Membership Additions – We are budgeted for 48 membership additions in 2023. We have added 58 memberships with 8 additions in July.

Membership Attrition – We have seen an attrition of 33 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
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
FALONN MAIER	JUNIOR	4/25/2023	NO REASON GIVEN
CHRISTINA FRYE	SOCIAL	5/25/2023	MARRIED CURRENT MEMBER
JENNIFER SCHMIDT	EQUITY	6/25/2023	MOVING
MAHER AHMAD	SOCIAL	6/25/2023	MOVING
VALERIE SWAIN	JUNIOR	6/25/2023	FINANCIAL
JACKIE SCHWEIGHART	SOCIAL	6/25/2023	NO REASON GIVEN
JOSH HEHN	EQUITY	7/25/2023	NOT ENOUGH USAGE
AMANDA BECKLER	SOCIAL	7/25/2023	MOVING
MARK ROHRIG	SOCIAL	7/25/2023	NEW HOUSE ACROSS TOWN
DAN GAMBILL	EQUITY	9/25/2023	NOT ENOUGH USAGE
JIEKUN HUANG	DINING	9/25/2023	PERSONAL REASONS
NATALIE MILLER	SOCIAL	10/25/2023	NOT ENOUGH USAGE
BILL ARMSTRONG	EQUITY	10/25/2023	MOVING – WIFE HAS NEW POSITION