

To: Todd Mayfield, President LFCC
From: Rob Walls, General Manager
CC: Board of Directors, Jon Cheshire (KS)
Re: Lincolnshire Fields Country Club

Overview:

July was a strong financial month. Revenues exceeded budget and offset slightly elevated payroll and flat expenses. Dues continued their strong trend and Food & Beverage revenues finished well ahead of budgeted expectations. The club finished with an EBITDA of \$26,983 against a budget of (\$13,445).

Lincolnshire Fields
 Standard Summary Income Statement
 For the Nine Months Ending Wednesday, July 31, 2024

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	Rolling 12 Months
REVENUES												
\$50,816	\$54,600	93.1%	\$52,479	96.8%	Green Fees & Cart Fees	\$171,917	\$187,274	91.8%	\$161,143	106.7%	\$283,549	\$258,997
20,946	28,500	73.5%	23,398	89.5%	Merchandise	100,428	118,450	84.8%	114,081	88.0%	192,950	182,203
2	0	0.0%	(24)	(8.7%)	Other Pro Shop	1,546	0	0.0%	1,627	95.0%	0	5,017
0	0	0.0%	0	0.0%	Range	0	0	0.0%	0	0.0%	0	30
182,819	148,650	123.0%	181,460	100.7%	Food and Beverage	871,194	756,440	115.2%	702,692	124.0%	999,978	1,118,064
0	0	0.0%	0	0.0%	Food and Beverage Gratuity Income	0	0	0.0%	60	0.0%	0	0
195,860	187,253	104.6%	168,462	116.3%	Membership Dues	1,671,464	1,575,280	106.1%	1,419,684	117.7%	2,137,039	2,177,786
6,000	17,000	35.3%	25,500	23.5%	Initiation Fees	135,150	151,500	89.2%	144,050	93.8%	151,500	161,200
1,347	(9,657)	(14.0%)	(19,408)	(6.9%)	Deferred IFee Rev Adj	(75,638)	(94,630)	79.9%	(97,789)	77.3%	(72,600)	(82,881)
9,435	3,900	241.9%	7,338	128.6%	Other Operating Revenues	29,173	21,300	137.0%	23,817	122.5%	23,500	31,894
1,756	0	0.0%	261	673.6%	Other G&A Income	13,494	0	0.0%	5,244	257.3%	0	15,758
468,981	430,246	109.0%	439,466	106.7%	TOTAL REVENUE	2,918,729	2,715,614	107.5%	2,474,609	117.9%	3,715,915	3,868,068
COST OF SALES												
17,442	21,660	80.5%	16,414	106.3%	Merchandise	78,283	90,302	86.7%	89,805	87.2%	147,177	146,260
60,253	56,701	106.3%	61,337	98.2%	Food & Beverage	301,161	287,535	104.7%	262,776	114.6%	380,324	405,653
77,695	78,361	99.2%	77,751	99.9%	TOTAL COGS	379,445	377,836	100.4%	352,581	107.6%	527,500	551,913
83.3%	76.0%	109.6%	70.2%	118.7%	COGS - Merchandise %	78.0%	76.2%	102.4%	78.7%	99.1%	76.3%	1035.4%
33.0%	38.1%	86.6%	34.3%	96.2%	COGS - Food %	35.9%	38.0%	94.5%	38.8%	92.5%	38.0%	465.7%
PAYROLL												
59,233	62,029	95.5%	59,021	100.4%	Course and Grounds	398,986	417,317	95.6%	361,822	110.3%	583,374	554,990
22,031	23,462	93.9%	21,370	103.1%	Pro Shop	122,482	123,815	98.9%	92,037	133.1%	168,097	159,386
92,734	86,999	106.6%	88,505	104.8%	Food and Beverage	587,338	583,258	100.7%	520,428	112.9%	771,201	753,329
29,920	26,646	112.3%	26,037	114.9%	Other Operating Departments	69,698	67,640	103.0%	62,942	110.7%	93,810	89,260
22,432	22,860	98.1%	27,661	81.1%	General and Administrative	209,160	211,766	98.8%	198,082	105.6%	277,155	269,713
226,351	221,996	102.0%	222,594	101.7%	TOTAL PAYROLL	1,387,664	1,403,798	98.9%	1,235,313	112.3%	1,893,637	1,826,677
OPERATING EXPENSES												
35,217	50,922	69.2%	38,450	91.6%	Course and Grounds	168,807	213,648	79.0%	176,577	95.6%	311,264	259,910
2,502	2,502	100.0%	2,502	100.0%	Carts, Range, Starters, Etc.	22,521	26,018	86.6%	5,964	377.6%	33,524	30,027
2,197	1,975	111.2%	3,143	69.9%	Pro Shop	8,785	8,075	108.8%	12,922	68.0%	11,675	12,854
22,463	17,641	127.3%	20,375	110.2%	Food and Beverage	141,918	104,729	135.5%	109,185	130.0%	147,202	195,096
5,400	6,050	89.3%	4,751	113.7%	Other Operating Departments	30,525	25,470	119.8%	25,126	121.5%	32,020	34,158
70,174	64,244	109.2%	65,724	106.8%	General and Administrative	532,765	507,275	105.0%	478,982	111.2%	701,443	737,238
137,953	143,334	96.2%	134,944	102.2%	TOTAL OPERATING EXPENSES	905,320	885,215	102.3%	808,756	111.9%	1,237,128	1,269,284
441,998	443,691	99.6%	435,290	101.5%	TOTAL EXPENSES	2,672,429	2,666,848	100.2%	2,396,649	111.5%	3,658,266	3,647,874
26,983	(13,445)	(200.7%)	4,176	646.2%	EBITDA	246,300	48,765	505.1%	77,960	315.9%	57,649	220,194
FINANCING ACTIVITY												
(10,067)	(5,227)	192.6%	(24,810)	40.6%	Interest Expense - Debt	(80,061)	(47,047)	170.2%	(58,695)	136.4%	(62,729)	(96,092)
(4,174)	(3,790)	110.1%	12,645	(33.0%)	Interest Expense - Leases	(40,821)	(38,480)	106.1%	(6,446)	633.3%	(49,130)	(56,196)
1,339	0	0.0%	1,562	85.8%	Interest Income	11,140	0	0.0%	5,419	205.6%	0	13,976
(12,902)	(9,017)	143.1%	(10,603)	121.7%	TOTAL FINANCING ACTIVITY	(109,742)	(85,527)	128.3%	(59,722)	183.8%	(111,859)	(138,311)
OTHER INCOME (EXPENSE)												
56,970	52,000	109.6%	53,913	105.7%	Dues - Capital Improvement	498,969	468,000	106.6%	460,298	108.4%	624,000	662,201
3,177	3,172	100.1%	1,500	211.8%	Initiation Fees - Capital Improvement	21,974	19,333	113.7%	4,936	445.1%	28,850	27,007
0	0	0.0%	1,000	0.0%	Operating Assessments	133,050	130,000	102.3%	144,775	91.9%	130,000	134,625
(38,353)	(35,828)	107.0%	(37,400)	102.5%	Depreciation & Amortization	(339,916)	(322,452)	105.4%	(299,180)	113.6%	(429,936)	(450,674)
0	0	0.0%	20,712	0.0%	Gain/(Loss) On Disposal Of Assets	8,050	0	0.0%	20,712	39.9%	0	8,050

Financial Performance:

Revenues:

July revenues finished at \$469k, outpacing the budget by \$38.7k and the prior year by \$29.5k.

The dues line contributed \$195.9k, \$8.6k ahead of the budget. The dues line continues its positive trend. There were only two new membership additions in July with three membership resignations. Membership additions were strong in the early months of the

year but have slowed. These early sales combined with below-budget attrition, have allowed us to outpace the dues budget by \$96.2k year to date.

Food & Beverage revenues finished July over budget by \$34.2k (28%). The club was consistently busy throughout the month. We did lose about \$3,500 in revenue due to a rainy July 4th celebration. The remainder of the weekend was nice, and we made up ground. Bar sales are the main driver of the revenue increase with special event sales providing a nice boost to overall food revenue as well.

The course recorded 2,741 rounds of golf throughout the month. This was ahead of the 2,534 rounds played in July 2023. Rounds of golf are currently up 28.6% over the prior year. The club hosted two golf outings in July. There were several women's league cancellations due to weather, but we had a full complement of men's league play.

Greens fees finished the month at \$21,610 against a budget of \$25,800. The greens fee budget was too aggressive this season. Greens fees are up \$4.9k (9%) for the year, but we are currently trailing the budget by \$21.8k. Cart fees finished the month at \$29.2k versus a budget of \$28.8k.

Merchandise sales lagged behind both the budget and the prior year. Total merchandise sales were \$20,946 against a budget of \$28,500. Total merchandise sales for the year are at \$100.4k against a budget of \$118.5k. The shop is full and we should see sales increase as credits come due over the next few months. We have a few demo days scheduled for the fall.

Payroll:

Payroll finished \$4.4k over budget. Food & Beverage and Aquatics finished over budget while all other departments at or below budget targets.

The Food & Beverage department finished the month at \$92.7k against a budget of \$87k. The department finished well over revenue targets and provided a great experience to the membership throughout the month. The Food & Beverage department is currently \$4k (1%) over budget for the year. August will see payroll decrease as we cut back hours of operation at Stingrays.

Grounds provided modest (\$2.7k) payroll savings versus budget. Paul continues to do a great job of managing his staff. Golf finished the month \$1,400 (6%) below the budget. Administration finished within \$500 of budget targets.

The Aquatics department finished the month over budget for the second straight month, spending \$24.8k versus an anticipated \$21.6k. Coverage in June and July was much more robust than the past few seasons. I anticipate more full payroll usage in August as our staff has more availability. Jasper Criss has done a great job managing our aquatics facility this season.

Expenses:

July OPEX ended at \$138k versus a budget of \$143.3k.

Significant savings in fertilizer allowed the club to offset overages in supplies and repair and maintenance costs to both the HVAC and a plumbing leak outside the grounds building.

The club received its early order chemical/fertilizer credits in July. In addition, we did not need to use as much wetting agent as would be typical in July due to the amount of precipitation. There was 3 inches more rain than average, keeping our fairways and greens healthy.

The Cost of Goods in Golf was 83.27% on a budget of 76%. We currently sit at 77.95% versus a budget of 76.24% and a prior year of 78.72%.

Food COGS% was 42.35% on a budget of 40.50%. We ran a high food cost this month due to the Member Guest Invitational.

Bar COGS% finished the month at 21.21% against a budget of 33.50%. As discussed last month, we had an outing on the day of the June count which caused a higher COGS%. This was offset in July. We also saw high volume with the Member Guest Invitational. The COGS% for the fiscal year is 28.49% versus a budget of 33.50%.

Summary:

The club finished the month with revenues of \$469k versus a budget of \$430.2k. Payroll finished the month right slightly over budget and OPEX finished the month \$5.3k (4%) under budget. The club finished \$40.4k above the budgeted EBITDA at \$27k. Through the first eight months of the fiscal year, the club has an EBITDA of \$246.3k versus a budget of \$48.8k.

The club continues to be busy. We are through the busiest part of the season. Schools will start in August, and we anticipate some staffing challenges mid-month. We are looking forward to the Club Championship and Hullabaloo.

Key Performance Highlights:

- Total revenues of \$468,981 on a budget of \$430,246 and prior year of \$439,466.
- Dues finished at \$195,860 on a budget of \$187,253.
 - The monthly dues line is currently \$27.4k higher than the prior year.
- Food & Beverage revenue of \$182,819 versus budget of \$148,650 and prior year of \$181,460.
- OPEX Savings
 - Total OPEX of \$137,953 on a budget of \$143,334.
 - Savings from fertilizer.
- Food & Bar COGS% finished under budget.
 - 32.98% versus a budget of 38.14%.
- We continue to be fully staffed in all departments.

Key Performance Issues:

- Slightly elevated payroll.
 - Total payroll \$226,351 on a budget of \$221,996.
 - \$5.7k payroll overage in Food & Beverage.
 - \$3.2k payroll overage in Aquatics.
- Golf merchandise sales underperformed and COGS% finished over budget
 - Sales of \$20,946 versus a budget of \$28,500.
 - 83.27% versus a budget of 76.00%
- HVAC and plumbing repair expenses in OPEX.
- Cost of supplies continues to trend over budget.

Key Actions to Drive Performance:

- Busy calendar in August with Club Championship & Hullabaloo.
- Finish out the men's and women's league season.
- We are hiring as our seasonal staff returns to school.
 - We anticipate some limited hours for lifeguards and Stingrays operations in mid-August.
- Preparing for Labor Day and fall golf.

Membership Update:

Current Membership Numbers: 471 Total

Equity	181
Junior	113
Under 35	53
35-37	35
38-39	24
Social	114
Honorary	35
Honorary Social	5
Dining	14
Non-Resident	9

Membership Additions – We have sold 39 total memberships this fiscal year on a budget of 46 membership additions in 2024. There were two sales in July.

Membership Attrition – There were two membership resignations in July with ten more in the resignation window. We are budgeted for an attrition of 41. There are 36 total resignations that have been processed or are in the pipeline.

RESIGNED MEMBERS	MEMBERSHIP TYPE	OFF THE SYSTEM	REMARKS
SCOTT MARTIN	HONORARY	11/25/2023	MOVING TO TEXAS PERMANENTLY
ED RIESBERG	SOCIAL	11/25/2023	BUSY SCHEDULE – UNABLE TO USE CLUB
CAROLINE BLACKFORD	SOCIAL	11/25/2023	NOT ENOUGH USAGE
CHRIS HARTMAN	EQUITY	11/25/2023	NOT ENOUGH USAGE
VALERIE SWAIN	JUNIOR	12/25/2023	NOT ENOUGH USAGE
BRETT KROENKE	SOCIAL	12/25/2023	NOT ENOUGH USAGE
NATALIE ROBERTS	SOCIAL	12/25/2023	FINANCIAL
SARAH GEIGER	SOCIAL	12/25/2023	TOO BUSY – NOT ENOUGH USAGE
RYAN LOWN	JUNIOR	12/25/2023	INCREASED COST DUE TO AGE
GREG SOPA	SOCIAL	12/25/2023	NOT ENOUGH USAGE
JOHN KISER	SOCIAL	1/25/2024	NO REASON GIVEN
RAY ALEXANDER	SOCIAL	2/25/2024	NO REASON GIVEN
JIM BURGNER	EQUITY	2/25/2024	PREPARING TO MOVE
TAYLOR COX	JUNIOR	3/25/2024	MOVING
MATT/GINI BAIN	SOCIAL	4/25/2024	FINANCIAL
CORY ROBERTS	JUNIOR	4/25/2024	CHANGED JOBS
BRYCE YANTIS	JUNIOR	4/25/2024	FAMILY HEALTH
ROBERT OLTEAN	DINING	4/25/2024	MOVING
ERNEST KWAK	JUNIOR	5/25/2024	NEW JOB REQUIRING TRAVEL
JEFFREY LEE	JUNIOR	5/25/2024	NOT ENOUGH USAGE
LOU LAROS	SOCIAL	5/25/2024	DECEASED
MADELINE HOEFT	EQUITY	6/25/2024	MOVING
JOSHUA KIM	JUNIOR	6/25/2024	NOT ENOUGH USAGE
PHIL NORFLEET	EQUITY	6/25/2024	EXPELLED
CHESTER FRAZIER	JUNIOR	7/25/2024	MOVING
ERIC WILSON	JUNIOR	7/25/2024	MOVING
NICOLE DICKERSON	SOCIAL	8/25/2024	NOT ENOUGH USAGE
TOM MURRAY	EQUITY	8/25/2024	NO REASON GIVEN
WILLIAM KING	SOCIAL	8/25/2024	NOT ENOUGH USAGE
DALE HENDERSHOT	EQUITY	9/25/2024	NEW BOAT, NOT ENOUGH USAGE
TRAVIS SPOHR	SOCIAL	10/25/2024	NOT ENOUGH USAGE
ANTHONY BRUNO	JUNIOR	10/25/2024	FINANCIAL
CAIN KISER	JUNIOR	10/25/2024	NO REASON GIVEN
MATT DAVIS	SOCIAL	10/25/2024	NOT ENOUGH USAGE
JASON SAKOWSKI	SOCIAL	10/25/2024	NO REASON GIVEN
TOM MALEE	HONORARY	10/25/2024	HEALTH