



June '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:

June was busy at the club. Revenues finished slightly ahead of budget projections with Food & Beverage pacing well ahead. Unfortunately, increased payroll and OPEX meant a miss to EBITDA. The club finished with an EBITDA of (\$9,850) versus a budget of \$19,091.

Lincolnshire Fields
 Standard Summary Income Statement
 For the Eight Months Ending June 30, 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												
45,395	59,300	76%	45,955	99%	Green Fees & Cart Fees	109,664	119,734	91%	101,752	107%	269,094	243,909
22,342	27,000	83%	28,952	77%	Merchandise	90,693	86,600	106%	75,920	119%	197,100	201,319
(17)	0	-168%	0	0%	Other Pro Shop	1,651	30	5505%	1,102	150%	50	7,748
0	20	0%	10	0%	Range	0	60	0%	10	0%	120	10
147,810	128,636	115%	128,151	115%	Food and Beverage	521,232	519,706	100%	471,137	111%	874,279	856,943
0	0	0%	0	0%	Food and Beverage Gratuities Income	0	0	0%	0	0%	0	60
184,505	166,093	99%	150,890	109%	Membership Dues	1,251,221	1,242,606	101%	1,137,856	110%	1,904,715	1,865,394
22,500	20,000	113%	9,000	251%	Initiation Fees	118,550	86,000	138%	78,600	151%	96,000	97,697
(16,674)	(14,492)	115%	0	0%	Deferred I/Fee Rev Adj	(78,390)	(49,059)	160%	0	0%	(34,992)	(78,260)
10,559	11,250	93%	11,935	88%	Other Operating Revenues	18,479	15,950	103%	18,525	100%	22,850	24,512
702	(100)	-702%	(27)	-309%	Other G&A Income	4,983	(800)	-623%	239	2089%	(1,200)	8,373
396,922	397,907	100%	373,375	106%	TOTAL REVENUE	2,036,144	2,021,828	101%	1,882,940	108%	3,317,406	3,227,615
COST OF SALES												
18,519	21,330	87%	25,245	73%	Merchandise	73,390	65,896	111%	59,871	123%	143,231	159,839
54,744	47,822	114%	40,614	135%	Food & Beverage	201,439	195,356	103%	170,758	118%	327,148	322,503
73,263	69,152	106%	65,859	111%	TOTAL COGS	274,829	261,252	105%	230,629	119%	470,379	482,342
82.9%	79.0%	104.9%	87.2%	95.1%	COGS - Merchandise %	80.9%	77.0%	105.1%	78.9%	102.6%	76.6%	942.2%
37.2%	37.2%	101.3%	32.1%	117.3%	COGS - Food %	40.6%	37.6%	107.7%	38.6%	106.1%	37.4%	499.3%
PAYROLL												
58,042	65,099	89%	49,798	117%	Course and Grounds	302,892	356,782	85%	282,748	107%	597,776	496,569
18,879	19,913	95%	15,678	108%	Pro Shop	70,886	92,782	76%	72,884	97%	153,763	114,660
82,562	60,595	136%	68,259	121%	Food and Beverage	431,923	401,646	108%	377,049	119%	629,887	677,497
26,862	20,431	131%	20,421	132%	Other Operating Departments	36,905	27,398	135%	24,801	149%	66,913	71,715
25,841	20,558	126%	22,516	114%	General and Administrative	170,422	165,302	110%	138,444	123%	234,926	236,329
210,006	186,486	113%	176,672	119%	TOTAL PAYROLL	1,012,718	1,033,910	98%	886,936	113%	1,682,234	1,598,169
OPERATING EXPENSES												
41,750	47,074	89%	52,787	79%	Course and Grounds	138,127	180,602	76%	163,055	85%	317,498	293,251
0	2,205	0%	1,731	0%	Carts, Range, Starters, Etc.	3,482	11,372	30%	2,192	29%	20,192	13,089
767	1,900	40%	(204)	-379%	Pro Shop	9,779	6,950	141%	4,397	222%	11,100	14,843
16,333	11,453	143%	11,515	142%	Food and Beverage	88,810	74,554	119%	75,428	118%	123,474	145,512
2,700	7,300	37%	9,819	30%	Other Operating Departments	20,376	14,740	138%	17,361	113%	29,465	32,930
61,852	53,247	116%	51,247	121%	General and Administrative	413,258	405,394	102%	375,163	110%	621,530	659,152
123,503	123,178	100%	125,963	98%	TOTAL OPERATING EXPENSES	673,811	695,622	97%	649,852	104%	1,123,279	1,148,658
406,772	378,816	107%	368,485	110%	TOTAL EXPENSES	1,986,529	1,989,784	99%	1,776,418	110%	3,276,892	3,229,088
(9,850)	19,091	-62%	4,881	-201%	EBITDA	73,784	33,044	223%	106,622	69%	41,614	(1,453)
FINANCING ACTIVITY												
(4,444)	(7,900)	96%	(5,142)	89%	Interest Expense - Debt	(33,898)	(63,200)	54%	(41,740)	81%	(94,800)	(39,089)
(5,621)	(1,875)	336%	(643)	874%	Interest Expense - Leases	(19,091)	(13,400)	142%	(9,548)	200%	(20,100)	(30,589)
1,406	0	0%	159	883%	Interest Income	3,859	0	0%	837	461%	0	4,478
(8,659)	(9,675)	90%	(5,625)	154%	TOTAL FINANCING ACTIVITY	(49,119)	(76,600)	64%	(60,451)	97%	(114,900)	(65,208)
OTHER INCOME (EXPENSE)												
53,073	49,000	109%	49,698	107%	Dues - Capital Improvement	406,388	392,000	104%	375,339	109%	598,000	606,579
1,234	917	135%	0	0%	Initiation Fees - Capital Improvement	3,438	2,208	156%	0	0%	3,208	3,438
75	0	0%	0	0%	Operating Assessments	143,775	0	0%	0	0%	0	143,775
(37,212)	(34,492)	108%	(34,095)	109%	Depreciation & Amortization	(261,780)	(276,936)	95%	(272,759)	96%	(413,304)	(403,421)
0	0	0%	0	0%	Gain/(Loss) On Disposal Of Assets	0	0	0%	6,670	0%	0	0
0	0	0%	(850)	0%	Other Expenses / Capital Reserve / Impairment	(14,127)	0	0%	(5,759)	245%	0	(23,333)
17,170	16,425	111%	14,753	116%	TOTAL OTHER INCOME (EXPENSE)	277,690	118,272	235%	105,495	266%	180,304	327,035
(1,339)	24,941	-5%	14,018	-10%	NET INCOME	302,355	74,717	405%	159,567	189%	106,919	260,374
104	889	15%	276	39%	Paid Rounds	390	1,078	36%	527	74%	2,306	1,551
1,839	2,100	88%	1,930	95%	Member Rounds	5,125	5,950	86%	5,356	96%	12,600	11,296
0	0	0%	0	0%	Other Rounds	3	0	0%	4	75%	0	292
1,943	2,786	70%	2,206	88%	Total Rounds	5,518	6,928	80%	5,887	94%	14,906	13,229
3,817	580	659%	1,353	282%	Revenue/Paid Rounds	5,218	1,879	278%	3,673	143%	1,439	243,644
204	143	143%	168	121%	Revenue/Total Rounds	369	292	126%	320	115%	223	242,865
438	97	504%	168	253%	Green Fees / Cart Fees per Paid Rounds	279	111	250%	163	163%	116	1,849
23	21	110%	21	112%	Green Fees / Cart Fees per Total Rounds	20	17	114%	17	114%	18	361
76	46	165%	58	131%	F&B Revenue/Total Rounds	94	75	126%	80	119%	59	82,106
11	10	119%	13	86%	Merchandise Revenue/Total Rounds	16	12	133%	13	127%	13	3,966

Financial Performance:

Revenues:

June revenues finished at \$396.9k, just below the budgeted \$397.9k and \$23.5k ahead of the prior year.

The dues line contributed \$164.5k, roughly \$1,500 behind budget but well ahead of the prior year's \$150.7k. Membership sales continued their strong pace in June with 11 total memberships sold for \$22.5k in initiation fees. The club has added 54 new members this year and collected \$118,550 in initiation fees. This surpasses the record of \$112,600 from 2021.

Food & Beverage revenues continued to climb, finishing the month at \$147.6k versus a budget of \$128.6k and a prior year of \$128.52k. The weather in June was nice with little rain and warm temperatures. The pool was packed throughout the month and there were no league cancellations. The Nine & Dine program had a record turnout in June, and the new Dining Room space opened. We were able to capitalize on the new space with several private event bookings.

The course saw 1,943 total rounds in June, down 12% versus the 2,206 rounds in 2022. Greens fees were significantly behind budget as we budgeted for two golf outings and only hosted one outside event in June. Greens fee finished the month at \$17.5k on a budget of \$30.9k. Cart fees finish the month slightly below budget at \$27.9k versus a budget of \$28.5k.

Out-of-inventory merchandise sales were strong in June, but special orders \$7.4k below budgeted targets. For the month, the total merchandise concession was \$22.3k against a budget of \$27,000. Merchandise sales are still pacing ahead of the budget this season. Special order sales have slowed, and I don't believe we have as much momentum through fitting day events as we have had over the last several years. We will hope the out-of-inventory sales continue to trend well during a solid membership year.

Payroll:

Payroll was a huge driver of the EBITDA miss, finishing 12% over budget at \$210k. Food & Beverage, Administration, and Aquatics were the main contributors to the miss while both Golf and Course & Grounds continue to provide significant savings.

Course & Grounds operated significantly under budget with a payroll of \$58k against a projected \$65.1k. 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 June. He is establishing a baseline for his needs moving forward.

Golf payroll finished the month at \$17.4k versus a budget of \$19.8k. The department was much more fully staffed in June as we added several part-time shop attendants and outside staff availability finished school.

Food & Beverage ended the month over budget by \$22k, finishing at \$82.6k versus a budget of \$60.6k. Unfortunately, the overage in payroll exceeded revenue gains. We had several new managers in June and tried to provide full coverage at both Stingrays and the Clubhouse. This established a baseline of need. As our managers are getting more comfortable in their new roles, they are aware we need to be more vigilant and conscious moving into July. On a positive note, we have received consistent praise from the membership regarding both the food and the service they are receiving.

Administrative payroll spending was high as well, totaling \$25.6k versus the \$20.6k expected. The Marketing Director role continues to run over budget as we originally budgeted for a part-time position. Membership sales also equal additional payroll dollars as there is a commission attached to these sales.

Aquatics was significantly over budget for the second straight month, missing budget targets by \$7k. We operated more fully staffed in June with zero pool closures due to weather throughout the month. With that said, there is significant waste in this department, and it was addressed mid-month. We are putting less guards on the schedule and asking for more from our managers on duty. We have eliminated breaks from the rotation as the check-in stand represents a break from active guarding. We are committed to offering more lifeguard coverage this season, including guards at the water slide, but the wasted payroll dollars needed to be addressed. I have seen significant improvement since the changes were implemented in mid-June and expect a better result in July.

Through eight months, payroll is at \$1,013k on a budget of \$1,034k.

Expenses:

June OPEX were just over budget. Expenses ended at \$123.4k versus a budget of \$121.6k.

Grounds provided significant savings again in June despite overages in chemical/fertilizer spend. There were significant savings in fuel, uniforms, supplies, and top dressing. Paul is still figuring out his budget needs and has spent less on some traditional practices.

Overages within the budget included more significant repair to the HVAC system for the Golf Shop totaling \$4,500, plumbing repair relating to a new dish machine, and repair of both a salad cooler and the beer cooler. 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 82.8% on a budget of 75%. Golf COGS are higher than budget but consistent with the prior year and historical averages. 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 36.6% on a budget of 41.5%. Inventory levels are still high, and Adam is working with Miguel to bring that number down significantly over the summer months. Increased sales volume helped drive COGs down for the second consecutive month.

Bar COGS% finished the month at 39.5% against a budget of 31%. The cost of goods was slightly lower than the last few months. Inventory levels are a concern as the number jumped at the end of June. We bought Tito's and High Noons on a bulk buy, and I have been assured we will not be purchasing more of this product for the rest of the season. The management team is aware this number needs to decrease significantly at the end of July and August.

Summary:

The club finished the month right on revenue targets, but overages in both payroll and OPEX led to a miss to EBITDA projections. The club finished \$28.9k behind the budgeted EBITDA at (\$9,850). The club is still positioned well for the fiscal year. We are now sitting with an EBITDA of \$73.8k versus a budget of \$33k for the fiscal year.

July will be another busy month at LFCC. We are getting to celebrate July 4th and will host the Member Guest Invitational on July 20th-22nd. It has been great to see the support of the membership this season.

Key Performance Highlights:

- Total revenues of \$396.9k on budget of \$397.9k and prior year of \$373.4k.
- Dues finished at \$164,504 on a budget of \$166,093.
 - The monthly dues line is currently \$13.8k higher than the prior year.
 - There were 11 membership additions in June.
- Payroll was over budget by \$23.5k in June.
 - Food & Beverage operated \$22k over budget with new managers and great weather.
 - Aquatics over budget by \$6.9k with wasteful spending.
 - Issue has been addressed and I have seen improvement since mid-June.
 - Course & Grounds saw significant payroll savings (\$7K).
 - The department is fully staffed but will continue to see savings over the next few months given Scott's passing.
- OPEX finished at \$123,437 versus a budget of \$121,628.
 - Significant savings in grounds relating to uniforms, fuel, supplies, and top dressing.
 - Additional repair of HVAC unit in Golf Shop, plumbing fixes related to a new dish machine, and several cooler repairs added to maintenance costs .
 - 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 82.8%. Food COGS finished at 36.6% on a budget of 41.5%. Bar COGS finished at 39.45% versus a budget of 31.0%.
 - Golf COGS slightly elevated but consistent with historical.
 - Food COGS down as sales volume increased.
 - Bar COGS slightly over but ahead of prior year both for the month and the fiscal year.
 - Food & Beverage inventory levels are an issue and has been addressed.

Key Performance Issues:

- June was another great weather month which meant golf and pool season were in full swing.
 - Dry, arid conditions meant Grounds was focused on keeping grass alive and applying wetting agents instead of fungicide to fight disease.

- Full services in Food & Beverage at all facilities.
- Golf is more fully staffed as school ended and availability opened up.
- Michelle Warren has stepped into her role as the new bar manager very nicely.
 - We have received consistent praise about the food quality and service of our food and beverage team.

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. Lifeguards will be on duty throughout the week.
 - We have live music scheduled every other week in July with the hope to drive additional traffic. This program was a huge success in June.
- July 4th Weekend, Nine & Dines, the Member Guest Invitational, and the Mid-Summer Social will all drive traffic and excitement at the club.
- The new website is fully launched and the member app is updated.
 - We are exploring ways to enhance the membership app for 2024.

Membership Update:

Current Membership Numbers: 454 Total

Equity	173
Junior	103
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 54 memberships with 11 additions in June.

Membership Attrition – We have seen an attrition of 30 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