

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

Overview:

March was a solid financial month. Revenues exceeded budget and combined with payroll and expense savings. Dues and initiation fees continued their strong trend. Food & Beverage continues to pace well versus an aggressive budget. The club finished with an EBITDA of \$36,667 against a budget of \$6,903.

Lincolnshire Fields
 Standard Summary Income Statement
 For the Five Months Ending March 31, 2024

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												
3,541	1,499	238%	945	375%	Green Fees & Cart Fees	9,185	4,124	223%	4,570	20%	283,548	252,839
5,025	8,000	63%	12,911	39%	Merchandise	14,882	23,450	63%	26,329	57%	192,850	184,409
409	0	0%	0	0%	Other Pro Shop	1,231	0	0%	1,514	81%	0	4,814
73,820	61,500	120%	49,082	150%	Food and Beverage	311,343	269,500	120%	203,148	153%	999,978	1,057,756
186,367	173,847	107%	155,165	120%	Food and Beverage Gratuities Income	0	0	0%	0	0%	0	80
26,000	24,000	108%	17,000	153%	Membership Dues	893,956	842,283	106%	767,832	116%	2,137,039	2,052,129
(18,532)	(17,995)	103%	(12,075)	162%	Initiation Fees	50,600	24,000	211%	32,000	166%	151,500	168,700
1,202	0	0%	1,075	112%	Deferred I/Fee Rev Adj	(18,842)	5,075	-81%	(8,490)	-24%	(72,600)	(116,283)
					Other Operating Revenues	0	0	0%	0	0%	25,600	26,539
					Other G&A Income	8,719	0	0%	2,927	288%	0	13,300
276,832	260,651	110%	224,113	124%	TOTAL REVENUE	1,270,073	1,168,432	110%	1,029,831	123%	3,716,916	3,664,491
COST OF SALES												
4,623	5,280	88%	11,134	42%	Merchandise	13,876	17,547	78%	21,356	66%	147,177	150,301
27,446	23,272	118%	18,142	151%	Food & Beverage	111,017	98,195	113%	83,185	133%	380,324	395,099
32,069	28,552	112%	29,276	110%	TOTAL COGS	124,893	115,741	108%	104,542	119%	627,500	645,400
92.0%	86.0%	138.4%	86.2%	106.7%	COGS - Merchandise %	93.2%	74.8%	124.6%	81.1%	115.0%	76.3%	1045.9%
42.4%	37.8%	112.0%	43.6%	97.3%	COGS - Food %	39.1%	37.8%	103.2%	46.7%	86.4%	38.0%	476.2%
PAYROLL												
35,842	38,808	92%	34,108	104%	Course and Grounds	169,889	174,795	97%	149,823	113%	583,374	537,804
12,536	9,951	126%	5,966	209%	Pro Shop	47,882	43,352	110%	27,553	174%	183,097	149,289
54,654	58,908	93%	50,876	107%	Food and Beverage	266,076	275,342	97%	226,998	117%	771,201	725,496
0	0	0%	0	0%	Other Operating Departments	(1,037)	0	0%	110	-93%	93,810	81,357
25,205	24,268	104%	23,614	107%	General and Administrative	115,026	110,854	104%	100,003	115%	277,155	273,858
128,637	131,736	97%	114,687	112%	TOTAL PAYROLL	597,845	604,344	99%	504,466	119%	1,893,637	1,767,704
OPERATING EXPENSES												
2,988	13,072	23%	13,114	23%	Course and Grounds	34,322	39,360	87%	41,860	82%	311,264	260,342
2,502	2,502	100%	0	0%	Carts, Range, Starters, Etc.	12,511	12,510	100%	3,521	261%	33,524	22,521
528	1,325	40%	1,222	43%	Pro Shop	4,642	4,300	108%	4,405	109%	11,675	17,229
13,206	10,201	129%	15,642	84%	Food and Beverage	61,390	41,630	147%	46,780	131%	147,202	176,573
2,445	80	4076%	4256%	6%	Other Operating Departments	3,848	300	1283%	335	1149%	32,020	32,272
58,410	56,300	104%	47,816	122%	General and Administrative	267,714	271,181	99%	242,904	111%	701,443	709,075
80,069	83,460	103%	77,862	103%	TOTAL OPERATING EXPENSES	384,428	369,281	104%	338,736	113%	1,237,128	1,218,411
240,166	243,748	99%	221,725	108%	TOTAL EXPENSES	1,107,166	1,089,346	102%	947,745	117%	3,658,266	3,531,516
36,667	6,903	531%	2,389	1536%	EBITDA	162,907	69,086	236%	82,086	186%	57,649	132,676
FINANCING ACTIVITY												
(9,103)	(5,227)	174%	(3,500)	254%	Interest Expense - Debt	(40,222)	(26,137)	154%	(21,755)	185%	(62,729)	(93,193)
(4,588)	(4,270)	107%	(1,852)	234%	Interest Expense - Leases	(23,550)	(22,600)	103%	(9,659)	242%	(49,130)	(35,512)
1,318	0	0%	413	310%	Interest Income	5,637	0	0%	1,366	412%	0	12,525
(12,362)	(9,497)	130%	(5,129)	241%	TOTAL FINANCING ACTIVITY	(57,935)	(48,737)	119%	(30,048)	193%	(111,859)	(116,179)
OTHER INCOME (EXPENSE)												
54,808	52,000	105%	50,194	109%	Dues - Capital Improvement	272,163	260,000	105%	250,517	109%	824,000	645,176
2,287	1,844	125%	333	689%	Initiation Fees - Capital Improvement	8,904	8,221	120%	8,552	179%	28,650	19,321
500	130,000	0%	250	200%	Operating Assessments	132,550	130,000	102%	143,250	83%	130,000	135,650
(37,362)	(35,828)	104%	(32,081)	118%	Depreciation & Amortization	(186,703)	(178,140)	104%	(180,405)	116%	(428,936)	(436,236)
0	0	0%	0	0%	Gain/(Loss) On Disposal Of Assets	0	0	0%	0	0%	0	20,712
(2,817)	0	0%	0	0%	Other Expenses / Capital Reserve / Impairment	(2,617)	0	0%	0	0%	0	(16,244)
17,427	148,016	12%	16,696	93%	TOTAL OTHER INCOME (EXPENSE)	225,296	219,081	103%	233,912	96%	362,914	367,879
41,741	145,422	29%	15,956	262%	NET INCOME	330,267	239,430	138%	285,950	115%	298,704	384,375
21	15	140%	7	300%	Paid Rounds	128	40	320%	43	289%	2,235	1,795
444	250	178%	115	389%	Member Rounds	911	600	152%	498	183%	12,600	11,609
0	0	0%	0	0%	Other Rounds	0	0	0%	0	0%	0	0
465	265	175%	122	381%	Total Rounds	1,039	640	162%	541	192%	14,835	13,407
13,182	16,710	79%	32,016	41%	Revenue/Paid Rounds	9,822	26,961	34%	23,950	41%	1,663	70,852
595	946	63%	1,857	32%	Revenue/Total Rounds	1,222	1,810	68%	1,904	64%	250	7,317
189	99	170%	135	120%	Green Fees / Cart Fees per Paid Rounds	72	103	70%	106	66%	127	1,871
8	6	138%	6	98%	Green Fees / Cart Fees per Total Rounds	9	6	137%	8	109%	19	182
159	232	69%	402	39%	F&B Revenue/Total Rounds	300	405	74%	376	80%	67	2,135
11	30	36%	106	10%	Merchandise Revenue/Total Rounds	14	37	38%	48	29%	13	207

Financial Performance:

Revenues:

March revenues finished at \$276.8k, outpacing the budget by \$26.2k and the prior year by \$52.7k.

The dues line contributed \$186.3k, \$12.7k ahead of the budget. The dues line remains healthy. There were eight new membership sales in March with only one membership resignation. The club has continued to add new members (21 for the fiscal year) and is below budgeted attrition which has allowed us to outpace the dues budget by \$70k through the first five months of the fiscal year.

Food & Beverage revenues finished March over budget by \$12.3k (20%) and \$24.7k (50%) ahead of the prior year. We continue to book private events and are pacing well ahead of budget on the banquet line. March revenue was boosted with both Easter and the Master's Draw falling earlier in the calendar than the prior year. We anticipate finishing below revenue targets in April with these events already completed. In addition, Illinois basketball provided a huge boost in March as the team made a run to the Elite 8. Go Illini!

The course recorded 465 rounds of golf throughout the month. This is well ahead of the 122 rounds played in March 2023. The weather was favorable, and the golf course is way ahead of schedule. Greens fees finished the month at \$1,208 against a budget of \$495. Cart fees ended the month well over budget at \$2,334 versus a budget of \$994.

Merchandise sales continue to be slow. The shop sold \$5,025 versus a budget of \$8,000. We had a large miss in special order sales as we anticipated more Pro V1 promotional sales being recognized in March. Order fulfillment was delayed, and a significant number of the orders will be reflected in April. Inventory is beginning to arrive, and we anticipate stronger sales as the weather continues to warm and the season begins.

Payroll:

Payroll finished \$3.7k under budget at \$128,037. Food & Beverage and Grounds again provided the savings in March. Both Golf and Admin finished the month over budget.

Chef Adam and his team continued their great job of flexing payroll despite an increase in revenue. We are fully staffed as the season approaches, and have a good team in both the front and back of the house. The department finished the month with a total payroll of \$54.7k versus a budget of \$58.9k.

Grounds has continued to provide modest savings versus budget this offseason. Paul has completed his hiring, and we will be fully staffed by mid-April. Paul believes the golf course is about six weeks ahead of the prior year when looking at turf growth, mowing, and chemical application. Given the continuing bunker construction and great weather, we anticipate elevated payroll in April.

Golf payroll was elevated versus budget, finishing the month at \$12.5k versus a budget of \$10k. We hired Cordale Kerns as our second assistant this past offseason and had him start in the first week of March. His payroll was unbudgeted for the month. Cordale will make a great addition, and we are excited to have him join us.

Admin payroll finished over budget by \$1,000 at \$25.2k. Membership sales commissions were responsible for the overage. The revenue generated by those sales more than covers the miss.

Expenses:

April OPEX ended at \$80k versus a budget of \$83.5k.

The main miss was related to cleaning supplies, electric and gas utilities, and repair and maintenance. We purchased two new vacuums and are ramping up our cleaning supply purchase in anticipation of the season. We had a pool floor plaster repair and an annual fire inspection led to the purchase of several new fire extinguishers.

Grounds provided great savings in both chemicals and fertilizer as we received some early order rebates that offset minimal spending.

The Cost of Goods in Golf was 91.99% on a budget of 66.0% on a small sales volume. Diving deeper into this number, a \$630 invoice was coded as a purchase rather than an expense. Once this is accounted for in the purchasing number, our COGS% finishes at 66.9%. The error was adjusted and will be reflected in the April number.

Food COGS% was 43.03% on a budget of 40.50%. Employee food expenses were accounted for this month within expenses. The last of the GFS invoices timing issues should be resolved, and we are tracking these invoices specifically. As sales volume continues to increase, the COGS% should trend lower.

Bar COGS% finished the month at 41.04% against a budget of 33.50%. Our COGS% for the fiscal year is 24.78%.

Summary:

The club finished the month with revenues of \$276.8k versus a budget of \$250.7k. Payroll finished the month below budget by \$3.7k (3%) and OPEX finished the month \$3.4k (3%) under budget. The club finished \$29.8k above the budgeted EBITDA at \$36.7k. Through the first five months of the fiscal year, the club has an EBITDA of \$162,907 versus a budget of \$69,086.

The golf and pool season are fast approaching, and the entire staff is preparing for a great year. We will continue to offer a full calendar of events and are excited to see the bunker project move toward completion. We look forward to seeing all of you out here soon.

Key Performance Highlights:

- Total revenues of \$276,832 on a budget of \$250,651 and prior year of \$224,113.
- Dues finished at \$186,367 on a budget of \$173,647.
 - The monthly dues line is currently \$31.2k higher than the prior year.
- Food & Beverage revenue of \$73,820 versus budget of \$61,500 and prior year of \$49,092.
- Controlled payroll across departments.
 - \$4.3k payroll savings in Food & Beverage.
 - Grounds providing continued payroll savings.
- OPEX finished at \$80,059 versus a budget of \$83,460.

Key Performance Issues:

- Golf merchandise sales of \$5,025 against a budget of \$8,000.
 - COGS% of 91.99% misleading due to incorrect credit memo entry.
- Food & Bar COGS% finished over budget.
 - 43.03% Food COGS versus a budget of 40.50%.
 - Employee meals accounted for in expense lines.
 - Anticipate this number decreasing as volume increases during the summer months.
 - Bar COGS of 41.04% against a budget of 33.50%.
 - COGS% for the fiscal year is 24.78%.

Key Actions to Drive Performance:

- We continue to have private member events and meetings booked in our new space.
- The bunker renovation project is progressing nicely.
 - The construction crew is making great progress.
 - Weather-dependent timeline, but the current schedule has bunkers completed by the last week in April with all sod work completed by the second week in May.
- Several projects completed or started in March including new pool furniture, new range tee mats, new sidewalk at front entry, new gates for grounds and dumpster area, accounting office refresh/remodel, and pond repair/beautification on Hole #4.
- Cordale Kerns started as the new 2nd Assistant Golf Professional.
- The aquatics manager was hired and will start in early April.
 - Jasper Criss will serve as Aquatics manager.
 - Chas Campbell will return in a limited capacity as the Assistant Aquatics manager.
- New membership application is completed and will be released in April.

Membership Update:

Current Membership Numbers: 459 Total

Equity	175
Junior	111
Under 35	53
35-37	34
38-39	24
Social	110
Honorary	35
Honorary Social	5
Dining	14
Non-Resident	9

Membership Additions – We have sold 21 total memberships this fiscal year on a budget of 46 membership additions in 2024. There were eight sales in March. The first budgeted sales for the year are in April.

Membership Attrition – There was one membership resignation in March with six more in the resignation window. We are budgeted for an attrition of 35.

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	4/25/2024	NEW JOB REQUIRING TRAVEL
JEFFREY LEE	JUNIOR	5/25/2024	NOT ENOUGH USAGE