

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

### Overview:

September was a weaker revenue month with golf continuing to lag both the prior year and budget. Payroll provided savings throughout most of the building. OPEX were high as we continued repair and maintenance of equipment and applied deferred chemicals to the golf course. Overall, the property finished behind of EBIDTA by \$25k. The club is still on pace for a positive EBITDA finish for the fiscal year.

Lincolnshire Fields  
 Standard Summary Income Statement  
 For the Eleven Months Ending September 30, 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>											
32,110	46,745	69%	46,515	69%	205,942	251,451	82%	261,741	79%	283,971	235,019
26,433	25,200	105%	30,481	87%	153,087	183,800	83%	184,012	83%	212,300	181,752
(128)	0	0%	640	-20%	3,860	0	0%	4,389	88%	0	7,372
0	0	0%	30	0%	20	0	0%	275	7%	0	20
72,216	74,807	97%	69,346	104%	759,255	724,571	104%	672,127	113%	763,236	693,352
154,388	146,783	105%	140,967	110%	1,599,275	1,599,099	100%	1,490,945	108%	1,748,301	1,738,795
0	0	0%	0	0%	87,600	127,000	69%	110,600	79%	127,000	89,600
422	250	169%	697	61%	22,769	23,800	96%	27,801	82%	23,800	22,854
175	0	0%	(67)	-260%	417	0	0%	(1,736)	-24%	0	10,346
<b>285,616</b>	<b>293,695</b>	<b>97%</b>	<b>288,609</b>	<b>99%</b>	<b>2,828,125</b>	<b>2,910,421</b>	<b>97%</b>	<b>2,740,154</b>	<b>103%</b>	<b>3,165,307</b>	<b>3,089,109</b>
<b>COST OF SALES</b>											
22,593	18,800	119%	23,211	97%	120,339	140,578	86%	143,913	84%	162,523	140,903
24,117	27,338	88%	27,317	88%	269,657	282,778	95%	239,792	113%	299,978	289,349
<b>46,700</b>	<b>46,238</b>	<b>101%</b>	<b>50,528</b>	<b>92%</b>	<b>389,996</b>	<b>423,353</b>	<b>92%</b>	<b>382,705</b>	<b>102%</b>	<b>461,500</b>	<b>430,252</b>
<b>85.4%</b>	<b>75.0%</b>	<b>113.9%</b>	<b>76.1%</b>	<b>112.2%</b>	<b>78.6%</b>	<b>76.5%</b>	<b>102.8%</b>	<b>78.2%</b>	<b>100.5%</b>	<b>76.5%</b>	<b>919.1%</b>
<b>34.8%</b>	<b>36.6%</b>	<b>94.9%</b>	<b>41.7%</b>	<b>83.4%</b>	<b>37.2%</b>	<b>39.0%</b>	<b>95.2%</b>	<b>36.8%</b>	<b>101.0%</b>	<b>39.2%</b>	<b>497.8%</b>
<b>COGS - Merchandise %</b>											
<b>COGS - Food %</b>											
<b>PAYROLL</b>											
51,306	51,031	101%	42,736	120%	440,096	468,883	94%	409,640	109%	519,260	481,951
9,253	17,562	53%	13,746	67%	106,881	152,649	71%	133,712	81%	182,633	121,634
53,171	46,188	115%	45,867	116%	570,890	539,369	106%	485,035	123%	571,049	620,865
5,249	1,225	429%	1,942	269%	59,319	75,081	79%	71,173	83%	75,081	83,497
14,825	20,225	73%	15,621	94%	189,501	230,845	82%	226,492	83%	250,436	213,774
<b>133,603</b>	<b>136,221</b>	<b>98%</b>	<b>119,611</b>	<b>112%</b>	<b>1,367,487</b>	<b>1,466,607</b>	<b>93%</b>	<b>1,305,052</b>	<b>105%</b>	<b>1,686,459</b>	<b>1,487,711</b>
<b>OPERATING EXPENSES</b>											
33,860	23,665	143%	35,212	96%	289,803	273,306	104%	273,677	104%	294,791	306,514
1,731	2,811	62%	7,409	23%	22,424	24,851	90%	26,389	85%	26,582	24,155
876	800	109%	1,047	84%	8,655	8,760	99%	12,457	69%	10,160	8,447
14,589	7,563	193%	13,224	110%	123,207	101,840	121%	87,712	140%	109,196	129,505
1,827	400	457%	1,877	97%	28,833	22,149	130%	21,093	137%	23,149	30,286
54,858	52,970	104%	57,782	95%	540,782	571,894	95%	504,974	107%	623,731	610,088
<b>107,632</b>	<b>87,800</b>	<b>123%</b>	<b>116,351</b>	<b>93%</b>	<b>1,007,704</b>	<b>1,003,800</b>	<b>100%</b>	<b>926,280</b>	<b>109%</b>	<b>1,087,630</b>	<b>1,109,874</b>
<b>287,935</b>	<b>270,256</b>	<b>107%</b>	<b>286,489</b>	<b>101%</b>	<b>2,765,187</b>	<b>2,893,780</b>	<b>96%</b>	<b>2,614,036</b>	<b>106%</b>	<b>3,135,589</b>	<b>3,036,937</b>
<b>(2,319)</b>	<b>23,308</b>	<b>-10%</b>	<b>2,120</b>	<b>-109%</b>	<b>62,938</b>	<b>16,661</b>	<b>378%</b>	<b>126,117</b>	<b>50%</b>	<b>20,718</b>	<b>62,172</b>
<b>EBITDA</b>											
<b>FINANCING ACTIVITY</b>											
(1,248)	(9,575)	13%	(5,546)	23%	(45,557)	(105,325)	43%	(81,946)	74%	(114,900)	(50,980)
143	0	0%	(1,072)	-13%	(15,327)	0	0%	(16,272)	94%	0	(19,377)
112	0	0%	49	230%	1,295	0	0%	555	233%	0	1,343
<b>(994)</b>	<b>(9,575)</b>	<b>10%</b>	<b>(6,689)</b>	<b>15%</b>	<b>(69,689)</b>	<b>(105,325)</b>	<b>57%</b>	<b>(77,664)</b>	<b>77%</b>	<b>(114,900)</b>	<b>(69,025)</b>
<b>OTHER INCOME (EXPENSE)</b>											
50,095	48,162	104%	47,019	107%	525,834	524,383	100%	494,813	106%	572,348	572,764
0	0	0%	0	0%	0	0	0%	106,882	0%	0	0
(34,095)	(36,217)	94%	(34,492)	99%	(375,043)	(393,211)	95%	(379,409)	99%	(429,429)	(428,350)
0	0	0%	0	0%	9,670	0	0%	1,500	445%	0	6,670
0	0	0%	0	0%	(5,754)	0	0%	(14,489)	40%	0	29,307
<b>16,000</b>	<b>11,945</b>	<b>134%</b>	<b>12,527</b>	<b>128%</b>	<b>151,706</b>	<b>131,172</b>	<b>116%</b>	<b>209,118</b>	<b>73%</b>	<b>142,920</b>	<b>180,411</b>
<b>12,687</b>	<b>25,678</b>	<b>49%</b>	<b>8,078</b>	<b>157%</b>	<b>155,055</b>	<b>42,508</b>	<b>365%</b>	<b>257,572</b>	<b>60%</b>	<b>48,738</b>	<b>163,558</b>
144	303	48%	413	35%	1,491	2,161	69%	2,357	63%	2,986	1,763
1,459	2,970	64%	1,859	80%	10,874	14,580	75%	13,480	79%	15,910	11,556
0	0	0%	2	0%	283	0	0%	24	1179%	0	289
1,603	2,573	62%	2,074	77%	12,448	16,751	74%	15,941	79%	18,196	13,607
1,963	969	205%	989	284%	1,897	1,347	141%	1,163	163%	1,323	46,305
176	114	156%	139	126%	227	174	131%	173	131%	173	3,913
223	154	145%	113	198%	138	116	119%	111	124%	119	1,719
20	18	110%	22	89%	17	15	110%	17	100%	16	155
45	29	155%	33	135%	81	43	140%	42	140%	42	1,040
16	10	168%	15	112%	12	11	112%	12	106%	12	174

### Financial Performance:

#### Revenues:

September revenues finished at \$285.6k versus a budget of \$293.6k and prior year actuals of \$288.6k.

Dues have been strong the last few months and are now on budget for the first time this fiscal year. The dues line contributed \$154,388 for the month, almost \$10k ahead of the \$146, 763 budgeted. There are no new memberships budgeted for the remainder of the year. The initiation fee line will miss the budget by roughly \$40k despite 50 member additions.

After a down month caused by poor weather and operational challenges, Food & Beverage rebounded finishing the month at \$72.2k versus a budget of \$74.6k and prior year of \$69.3k. The club hosted several outside parties and events in September. Labor Day and the Harvest Beer Festival were both revenue drivers in addition to member events and parties. Despite no services down at Stingrays following Labor Day, the department had success.

Golf operations were also well behind budget and prior year. Rounds of golf finished the month at 1,603 after the course saw 2,074 rounds in September of 2021. Greens fees trailed by roughly \$7k and cart revenue finished at \$22.3k on a budget of \$30.1k. September has always been hit or miss for the golf course. Football season started and there were several home weekends in September. The course & grounds department also completed a full aerification schedule in September this year after skipping fairway and tee aerification in 2021. This resulted in more course closure/disruption and fewer guest rounds.

For the fiscal year, total revenues throughout the facility are now trailing the budget by \$82.3k (3%) while outpacing the prior year by \$88k (4%).

### **Payroll:**

Payroll provided modest savings in September, finishing the month at \$133.6k on a budget of \$136.2k. Golf and Administration provided the greatest payroll savings while Food & Beverage finished the monthly over budget by 15%.

Food & Beverage operated over budget with a total payroll of \$53.2k on a budget of \$46.2k. We were more fully staffed on the front-of-house side in September. Hiring of servers and bartenders meant additional training hours. We also continued with a full kitchen staff despite closing Stingrays fully. These hours will be reduced in October. For the fiscal year, the total payroll in F&B is now 6% above budget at \$570.7k versus a budgeted \$439.4k.

Golf payroll was 53% of budget and has been consistently the trend. Hourly staff will continue to work through the end of October. Administration saved 27% versus budget as we have eliminated salary with Lauren Kuleck's departure.

For the fiscal year, the club is now 7% below budgeted payroll, saving \$99k. We will continue to operate efficiently throughout the property and hope for a solid October.

### **Expenses:**

OPEX were well over budget again in September with increased overhead for utilities, maintenance and repair across the facility, additional chemical spend, service staff uniforms, and higher than anticipated linen expenses. Operating expenses finished the month at \$107.6k versus a budget of \$87.8k.

Course & Grounds was \$10k over budget, spending \$33.8k versus a budget of \$23.7k. The department had used some additional chemical spend in September following savings in August. Drought conditions continued throughout much of the month and wetting agent was used to help the healing process on greens and fairways. Utilities and fuel expenses continue to be high. The cooler box on Hole #7 was replaced after being burned down in July. An outside consulting service was brought in for an annual sampling. This service was unbudgeted, but it is an annual practice and will be accounted for moving forward. Finally, regular topdressing practices were performed for greens and fairway aerification. The process came in higher than budget.

Food & Beverage had several supply and maintenance and repair items hit in September. The club ordered new uniforms for the influx of new staff starting. The hood in the Kitchen needed repairs. Cleaning supplies and linen fees continue to run extremely high. The linen fees are being investigated by Adam. There appears to be a prior contractual commitment, and we are exploring terminating this contract early. Overall, F&B finished the month at \$14.6k on a budget of \$7.6k.

We continue to see some artificial savings versus budget because we have not been billed for the annual audit. This will be billed in October. 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 85.43%. There were some sales for Labor Day to reduce aged inventory count. Merchandise COGS % is now 78.61% for the year.

Beverage COGS% leveled in September, finishing the month at 29.167% versus a 30.00% expectation. Food COGS% was 37.98% on a budget of 40.82%. The department has finished consistently under budget this year and is currently at 37.16% on a budget of 39.03%.

### **Summary:**

The club had slower revenue month and high OPEX resulting in a miss to budget of roughly \$25k. For the year, EBITDA is \$62.9k on a budget of 16.7k.

October will be a fun month at LFCC. We will host the Finale golf event and the Mean 18. Food & Beverage has plans for NFL Sundays, Sushi Night, Wine Dinners, and Halloween. We are excited to keep the momentum going into the fall.

### **Key Performance Highlights:**

- Total revenues \$285.6k on budget of \$293.6k and prior year of \$288.6k.
- Dues finished at \$154.4k on a budget of \$146.8k.
  - The monthly dues line is currently \$13.4 higher than prior year.
  - The dues line is on pace with budget and outpacing prior year by \$117k through September.
  - There were no member additions in September.
- Payroll was under budget by 2.6k in September.
- OPEX finished at \$107.6k versus a budget of \$87.8k.
  - Increased utility & fuel costs across the property.
  - Maintenance and repair of hood in Kitchen.
  - Linen costs are high and continue to be investigated.
  - Additional chemical application due to drought and aerification.
  - Cooler box on golf course was purchased and installed after vandalism in July.
- Poor COGS numbers in golf with 85.43% for merchandise on budget of 75%. Food and Beverage finished at 34.75% on budget of 36.64%.

### **Key Performance Issues:**

- Payroll in Food & Beverage was high as we hired new staff.
  - More new staff lead to more training hours in addition to more hours for our management team.
  - Kitchen maintained full staffing and hours in September.
    - These hours will be reduced in October.
- We continue to have areas of need on the supply and maintenance side.
  - The building's deferred maintenance is slowly being addressed.
    - Kitchen Hood was repaired in September.
  - Scott has communicated the need for equipment repair and maintenance given the delay in receiving new equipment from manufacturers.

### **Key Actions to Drive Performance:**

- The Finale and Mean 18 will be hosted in October.
- Halloween activities including Costume Brunch and Trunk or Treat.
- Sushi Night & Chef's Wine Pairing Dinner will drive traffic.
  - Recurring events including NFL Sundays, Taco Tuesday, and Brunch added to calendar.
- New website and club app are being explored.
  - Added amenity for the membership.
- New menu changes have been well received. Revamp scheduled soon.

## Membership Update:

Current Membership Numbers: 440 Total

Equity	<b>168</b>
Junior	<b>98</b>
Under 35	35
35-37	44
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 50 memberships on a budget of 44 for the fiscal year.

Membership Attrition – We have seen an attrition of 39 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 Vasant (Junior Under 35) – 6/9
- (37) Jamie Propps & Umi Essien (Equity) – 6/20
- (38) Randy & Kimberly Lane (Social) – 6/30

### July

(39) Wes & Morgan Stone (Junior 35-37) – 7/2

(40) Adam & Amanda Christ (Social) – 7/26

(41) Bill Armstrong (Equity) – 7/27

August

(42) Philippe & Nancy Geubelle (Equity membership) – 8/2

(43) Jake Patterson & Janessa Pankey (Junior <35 membership) – 8/6

<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
DAVE BRAMBREY	JUNIOR	10/25/2022	NOT ENOUGH USAGE
AUSTIN DUCEY	JUNIOR	10/25/2022	NO REASON GIVEN
ROBERT FROST	EQUITY	10/25/2022	COST FOR JUST GOLF
NICK LEVANTI	JUNIOR	10/25/2022	PURCHASED NEW HOME
MATT MONDY	JUNIOR	10/25/2022	MOVING OUT OF AREA
GREG TRESSLAR	JUNIOR	10/25/2022	NOT ENOUGH USAGE
COURTNEY CLIFTON	SOCIAL	10/25/2022	TOO MANY FAMILIES
NORMAN POWELL	HONORARY	10/25/2022	NOT ENOUGH USAGE
ZACH TAAKE	JUNIOR	10/25/2022	MOVING OUT OF STATE