

University Park Recreation District
Management Discussion & Analysis Report
As of June 30, 2021

Overview

Summer is here and so too is the heat, humidity, and daily thunderstorms! Despite these seasonal challenges the golf course, tennis & fitness programs and food and beverage operation remain strong. In fact, golf play exceeded all previous years used for comparative purposes! Banquet business has returned, and most dining nights were sold out.

After more than a year of planning starting with last summer's Strategic Planning Group followed by the Master Plan developed by Fawley Bryant, Phase 1 of the Master Plan has commenced! The UPRD Board of Supervisors approved Club Design Group (CDG), led by President Lisa Miles-Briggs, to lead the design work of the interior and exterior dining renovations. Initial meetings with CDG have been held with Management and a volunteer Lifestyle Advisory Group.

The Board also accepted the fiscal year 2020 (11/22/19-9/30/20) Audited Financial Statements during the June 29th continued Board Meeting. Phillips Harvey Group performed the independent audit for the second consecutive year. This audit was much more complex primarily due to the accounting requirements associated with the purchase of the club within the fiscal year.

The ongoing joint website development project with UPCA continues. The website developer has the materials and is making good progress. A draft will be presented at the July 9th Board meeting.

Mask requirements for staff have changed effective July 1, 2021. All vaccinated employees, with proof of full vaccination, are no longer required to wear a mask, indoors or outdoors. All non-vaccinated employees will be required to wear a mask at all times, regardless of location. The health, safety and well-being of our residents, members, guests, and staff continues to be our highest priority.

Golf Course Maintenance

The approved greenside bunker and tee box renovation project on holes #10-18 continues. The project includes leveling and expanding select tee boxes, renovating greenside bunkers, expansive cart path repairs and the addition of new plant beds and trees. While closed we will also be aerifying greens, fairways and rough. The project, which is scheduled to take approximately 8 – 10 weeks, remains on schedule despite ongoing issues with staffing levels and being able to secure the proper materials, including sod, to complete the project. The holes will remain closed until complete which we are estimating to be mid-August.

Human Resources and Staffing

Staffing continues to be a problem within Golf Course Maintenance and Restaurant Operations. We are working diligently to fill the necessary positions to continue providing the exemplary service our Members and Guests have come to enjoy and expect. We are hopeful the recent decrease in unemployment relief will increase the number of job seekers as we move forward. This will be

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increasingly important after the dining renovations are completed and the upcoming busy season commences.

Food and Beverage

Despite entering the off-season months, the Food & Beverage operation continues to see tremendous participation in á la carte dining and special events.

Special events during the month included German Night, the Father's Day Brunch, Seafood Boil, Three for All nights, Prime Rib nights, Trivia and Bingo! The Father's Day Brunch included 334 attendees, a record turnout. We look forward to continued success in July highlighted by the 4th of July BBQ which his SOLD OUT.

Inquires for next year including weddings and other milestone events have been strong and the anticipated renovation has increased interest in our venue. Private, outside banquet events continue to bounce back from the pandemic and in June the club played host to three weddings, two luncheons and a corporate dinner.

Golf

Golf has shown little sign of slowing down. Despite only having 18 holes available, which limits the number of tee times sold per day, June golf revenue exceeded budget and prior years by a wide margin. While the FY 2021 budget does reflect the potential impact of COVID-19, it is interesting to note that YTD golf revenue through May has already exceeded the 2020 budget with 4 months to go!

We continue to hear and golf reviews on all social media platforms confirm that we have some of the best course conditions in our area and that our service and staff is second to none.

With the increased walking traffic, the Pro Shop is experiencing an increase in merchandise revenue with June revenue doubling the budget and exceeding prior year revenue handily.

Tennis & Fitness

As important as summer cultural practices are for the golf course, the upkeep and ongoing maintenance of our har-tru tennis courts is equally as important. Most clubs hire tennis court vendors like Welch Tennis Courts to rebuild and refresh their courts. The work can be as extensive as removing all old clay, adding and leveling the new clay and reinstalling the lines as we have done on Courts 1, 8 and 9. Or less intensive as we have recently done on Courts 3 & 4 to which we have added enough new clay to get through the summer. These courts will be rebuilt in the Fall. In 2019 in addition to adding new clay and leveling the court, service and baselines were replaced on Courts 2,3, 4 and 5. To their credit our tennis maintenance team with the help of our tennis professionals,

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have taken this work on in-house. This saves us a considerable amount of money and ensures that the job is done right.

Fitness classes have moved back indoors and personal training is gaining traction with more and more members returning to their weekly sessions with Sue Mariller.

Membership

As expected, membership sales for the month of June were generally slow, although 15 Summer Golf memberships were sold during the month bringing the total up to 229 (only 6 below our all-time high of 235 from 2019).

		Full	Tennis	Sports	Social	Soc / Res - Cmty Record	Twilight Tennis	Jr. Exec.	Change in Annual Mbrs	Trial Full	Trial Ten/Fit	Trial Fit/Soc	Trial Social	Sum Golf	Sum Tennis	Sum Dining	Change in Other Mbrs	Required Community Memberships	
2020 Totals		291	106	79	208	459	8	3	1154	7	7	3	4	0	0	0	21	823	
Jan 2021		4	-1	-3	-1	6	1		6	14	1	2	2				19	8	7 Soc/Res, 1 Tennis
Feb 2021		4	2	-1	-5	-1	2		1	6	-3	1	-1				3	9	7 Soc/Res, 1 Full, 1 Twi Ten
Mar 2021		3	-1	1	-2	2			3	-12	-3	0	-3	156	9	X	147	10	7 Soc/Res, 2 Full, 1 Sports
Apr 2021		-2	-1		-2	10			5	-13	-1	-4	-1	29	1		11	12	11 Soc/Res, 1 Full
May 2021			1		-1	7			7	-2	-1	-2		29	1		25	9	8 Soc/Res, 1 Tennis
Smr	6/2								0					4	1		5		
Smr	6/10								0					7	1		8		
	6/11	1	-1	-1	-1	11			9								0	11	11 Soc/Res
Smr	6/25								0					3			3		
Smr	6/30								0					1			1		
NEW	6/30	-1		0	-1	-2			-4		1	1					2	2	2 Soc/Res
Total Members		300	105	75	195	492	11	3	1181	0	1	1	1	229	13	0	245	884	

Past Summer Counts				Summer Conversions			
Golf	T&F	Dining	Year				
136	25	45	2013				
121	22	25	2014				
192	26	42	2015				
108	26	35	2016				
76	15	24	2017	4 Full, 3 Tennis, 2 Sports, 2 Social			
175	17	36	2018	9 Full, 4 Tennis, 1 Sports, 6 Social			
235	25	40	2019	19 Full, 7 Tennis, 4 Sports, 11 Social			
152	54	5	2020	15 Full, 18 Tennis, 2 Sports, 3 Social			
229	13	XX	2021				

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Statements of Operations (as of May 31, 2021):

SUMMARY STATEMENT OF OPERATIONS	FY2021	FY2021	FY2021	FY2021
Description	YTD Actual	YTD Budget	YTD Variance	Budget
REVENUE:				
MEMBERSHIP DUES	\$ 2,375,852	\$ 2,349,550	\$ 26,302	\$ 3,490,674
GOLF OPERATIONS	2,656,111	2,039,818	616,293	2,525,706
TENNIS & FITNESS CENTRE	49,373	49,517	(144)	67,806
RESTAURANT INCOME	1,299,994	1,344,184	(44,190)	1,721,582
OTHER INCOME	-	-	-	5,000
TOTAL REVENUE	\$ 6,381,330	\$ 5,783,069	\$ 598,261	\$ 7,810,768
EXPENSES:				
PAYROLL & RELATED:				
GOLF OPERATIONS	\$ 372,630	\$ 380,041	\$ (7,411)	\$ 536,990
TENNIS & FITNESS CENTRE	145,966	144,160	1,806	208,375
RESTAURANT	850,156	822,569	27,587	1,181,409
GOLF COURSE MAINTENANCE	975,122	984,209	(9,087)	1,426,398
GENERAL & ADMINISTRATIVE	787,271	739,168	48,103	1,088,773
TOTAL PAYROLL & RELATED	\$ 3,131,145	\$ 3,070,147	\$ 60,998	\$ 4,441,945
DIRECT EXPENSES:				
GOLF OPERATIONS	\$ 528,414	\$ 448,418	\$ 79,996	\$ 598,782
TENNIS & FITNESS CENTRE	72,254	81,606	(9,352)	119,681
RESTAURANT CGS	609,740	508,827	100,913	665,791
RESTAURANT OPER EXP	296,743	301,908	(5,165)	425,426
GOLF COURSE MAINTENANCE	841,558	799,777	41,781	1,186,312
GENERAL & ADMIN	258,632	222,881	35,751	315,472
PROPERTY INSURANCE	122,948	131,688	(8,740)	197,532
SALES OFFICE - OTHER	34	9,440	(9,406)	14,160
TOTAL DIRECT EXPENSES	\$ 2,730,323	\$ 2,504,545	\$ 225,778	\$ 3,523,156
OPERATING INCOME/(LOSS)	\$ 519,862	\$ 208,377	\$ 311,485	\$ (154,333)
INITIATION FEES & OTHER	\$ 263,499	\$ 152,400	111,099	159,250
OPERATIONS RECOVERY SURCHARGE (1/1/21-9/30/21)	191,243	199,890	(8,647)	361,710
SUB-TOTAL	\$ 974,604	\$ 560,667	\$ 413,937	\$ 366,627
RD GOVERNANCE- REVENUE	1,000	-	-	-
RD GOVERNANCE- DISTRICT MANAGEMENT	(46,667)	-	-	(70,000)
RD GOVERNANCE- LEGAL	(33,232)	-	-	(35,000)
RD GOVERNANCE- OTHER	(70,989)	-	-	(112,090)
	(149,887)	-	-	(217,090)
SURPLUS FOR OTHER RD NEEDS	\$ 824,717	\$ 560,667	\$ 413,937	\$ 149,537

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- (a) \$616k increase over Budget due to 9,653 more rounds than budgeted, including 4,573 outside rounds, and pricing.
- (b) Continued impact of COVID-19, particularly fewer Banquet events, especially early in the FY. Higher COGS is due to "To Go" Service costs vs. traditional indoor dining and fewer dining events with higher margins (e.g., special events and Sunday brunch).
- (c) Increase primarily due to Legal and Professional services including legal expenses related to a 401(k) Plan matter, Trademarks, and Strategic Planning Consulting.
- (d) Actual legal expense of \$33k is for General Representation.
- (e) FY2021 YTD expenses include unique/unbudgeted expenses for the Board Election (\$13k), Annual Trustee Fee (\$7k) and Accounting (\$6k) which will smooth out variance to Budget over the balance of the FY.

Revenue Flash Report (as of June 30, 2021):

	June			YTD			
	Actual	Budget	Variance	Actual	Budget	Variance	
MEMBERSHIP DUES	\$ 283,528	\$ 287,276	\$ (3,748)	\$ 2,659,380	\$ 2,677,031	\$ (17,651)	(a)
GOLF OPERATIONS	204,516	108,140	96,376	2,860,626	2,147,958	712,668	(b)
TENNIS & FITNESS CENTRE	6,070	4,906	1,164	55,443	54,423	1,020	
RESTAURANT OPERATIONS	139,839	95,526	44,313	1,439,833	1,439,710	123	(c)
TOTAL OPERATING REVENUE:	\$ 633,953	\$ 495,848	\$ 138,105	\$ 7,015,282	\$ 6,319,122	\$ 696,160	
INITIATION FEES & OTHER INC	12,601	3,375	9,226	276,100	155,775	120,325	(a)
OPERATIONS RECOVERY SURCHARGE	-	40,205	(40,205)	191,243	199,890	(8,647)	
TOTAL OTHER REVENUE:	\$ 12,601	\$ 43,580	\$ (30,979)	\$ 467,343	\$ 355,665	\$ 111,678	
TOTAL REVENUE:	\$ 646,554	\$ 539,428	\$ 107,126	\$ 7,482,625	\$ 6,674,787	\$ 807,838	

- (a) Reflects new membership sales for the Nine months ending June 2021. Membership dues fall slightly below budget, however full membership remain strong and continue to exceed budget. New memberships (the basis for Initiation Fees) continue to exceed Budget.
- (b) \$713k over Budget YTD due to pricing and substantially more rounds, as outlined below:

Rounds of Golf (as of June 30, 2021):

Member Rounds	3,607	2,360	1,247	38,697	32,370	6,327
Outside Rounds	2,566	1,789	777	33,304	27,954	5,350
	6,173	4,149	2,024	72,001	60,324	11,677

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- (c) Restaurant sales continue to improve due to strong á la carte dining and well attended member events (Trivia, Bingo & Father's Day Brunch). We will also expect to see continued increases in revenue as outside banquet events return.