

University Park Recreation District
Management Discussion & Analysis Report
As of May 31, 2021

Overview

The COVID-19 pandemic has impacted our lives and our business in ways we never imagined 15 months ago. At long last, and in alignment with new CDC and OSHA guidelines, the mandatory mask requirements for fully vaccinated members, residents, and guests was lifted on May 24th. These individuals are no longer required to wear masks in any space INDOOR or OUTDOOR at the Club. Non-fully vaccinated members, residents and guests are required to wear a mask in INDOOR spaces at all times and in OUTDOOR spaces when social distancing cannot be maintained. Although the honor system is being used, we ask that all members, residents, and guests continue to respect the health and well-being of your fellow members, neighbors, and staff.

Mask requirements for staff members will be evolving in the coming weeks as more and more team members become vaccinated. Currently, all staff members regardless of vaccination status are wearing masks when in INDOOR public facing spaces. Non-fully vaccinated employees are required to wear a mask at all times. Fully vaccinated staff working in non-public facing spaces are not required to wear masks. Unlike members, residents and guests, employees are required to show proof of vaccination before forgoing use of a mask.

During the May 14th University Park Recreation District (UPRD) Board of Supervisors meeting the Board approved the preliminary FY2022 Enterprise Fund (Country Club), General Fund and Debt Services budgets. The Board also set the Public Hearing date to adopt the respective final budgets at the August 13, 2021 UPRD Board Meeting.

The Request for Proposal (RFP) process for the design of the indoor and outdoor dining spaces closed on Friday, May 28th. Management and volunteer advisors are actively reviewing the proposals received which will be presented at the June 9th UPRD Board Workshop. It is expected the Board will approve a professional firm at the June 11th UPRD Board Meeting at which point the process will commence.

As previously reported, Park Boulevard Management (PBM), in response to the Covid-19 pandemic, applied for and was granted a Payroll Protection Plan loan (“the Loan”) through the Small Business Administration (SBA). The amount of the Loan was \$855,783. The Loan only impacted the PBM management and staff that served Club operations, managed for the Club by PBM. The funds were advanced to the Club to cover approximately 2.5 months of payroll expenses. We are happy to report notification from the SBA was received on April 28, 2021 that the Loan had been forgiven and effective May 20, 2021, UPCA approved taking action to make the appropriate entries needed to permit the use of such funds by the Club.

Golf Course Maintenance

On the Golf Course, the first round of annual summer cultural practices including greens aerification, circle mowing and verticutting on holes #1- #9 and #19-#27 was completed in May

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prior to the closure of the mid-nine for the approved renovation project. Additionally, we will be completing much needed maintenance to our driving range including aerifying, fertilizing and topdressing. Each of these maintenance processes are necessary to maintain the health of the turf and continue to drive the highest standards in playability, a cornerstone of our Golf Experience.

The approved greenside bunker and tee box renovation project on holes #10-18 began Tuesday, June 1st. The project will take approximately 8 – 10 weeks during which time those holes will be CLOSED. 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. This is similar to the work done on holes #1-9 last summer.

Human Resources and Staffing

Please join us in welcoming Steve Barnett to the PBM management team as our new Community Association Manager. Steve comes to us with more than 30 years in community association management, most recently from an upscale gated community in Westlake, Texas. Prior to that, Steve spent many years in Sarasota managing large resort and condominium complexes on Siesta Key. Be sure to stop by the PBM office in The Varsity Club to introduce yourself.

Food and Beverage

Due to the overwhelming feedback we received and the popularity of our á la carte Sunday Breakfast menu, developed during COVID-19, we have adjusted our proposed Sunday Mimosa Brunch schedule. During the summer months only, we will be offering our traditional Sunday Brunch buffet ONE Sunday per month (May 23rd, June 20th [Father's Day], July 18th and August 22nd). For the remainder of the Sunday food service periods this summer we will offer our popular á la carte Sunday Breakfast.

We continued to see well attended and extremely successful member events all month-long including Cinco de Mayo Night, Mother's Day Brunch, Italian Night, and our popular Prime Rib, Bingo & Trivia Nights! Attendance at our Memorial Day events was at record-breaking levels with more than 190 members enjoying the holiday festivities. The increased numbers are in part due to the expanded seating capacity added during COVID-19 in the courtyard as well as our member's desire to eat outside in general.

Non-member banquet and wedding business is back. Not only are more and more events being booked into next year, but we are also seeing an increase in short term bookings. The upcoming renovation at The Park Grille poses a challenge when booking events for the next 6 – 9 months but potential customers are excited to hear more about the improvements.

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Golf

The Golf Course continues to produce unprecedented numbers of member and outside rounds and exceeds budget and all prior years used as comparison in total revenue. May is historically a busy month with the start of Summer Reciprocal and Big Summer Card players and this year was no exception. Great weather also helped to drive these exceptional results. Total rounds exceeded budget by almost 2,000 rounds in May, with member rounds outpacing budget by 1,310.

While management is cautiously optimistic the course will maintain high levels of play during the summer months, we continue to monitor the impact the mid-9 renovation and the high number of summer golf members will have on outside play opportunities and thereby outside play revenue.

Membership

The Summer membership season for Golf and Tennis members is off and running! Despite the price increases, Summer Golf memberships have proven to be one of the most successful in UPCC history! (UPDATE: actual sales through June 3rd are 218.)

		Full	Tennis	Sports	Social	Soc / Res - Cmty Reard	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
SMR	5/5								0					8			8		
SMR	5/11								0					8			8		
	5/14		1			4			5		-1	-1					-2	5	4 Soc/Res, 1 Tennis
	5/18				1	1			2								0	1	1 Soc/Res
SMR	5/18								0					7			7		
SMR	5/25								0					3	1		4		
	5/27				-2	2			0	-2		-1					-3	3	3 Soc/Res
NEW - SMR	5/28								0					3			3		
Total Members		300	106	76	197	483	11	3	1176	0	0	0	1	214	11	0	226	871	

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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			
214	11	XX	2021				

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Statements of Operations (as of April 30, 2021):

SUMMARY STATEMENT OF OPERATIONS	FY2021	FY2021	FY2021	FY2021
Description	YTD Actual	YTD Budget	YTD Variance	Budget
REVENUE:				
MEMBERSHIP DUES	\$ 2,080,837	\$ 2,057,360	\$ 23,477	\$ 3,490,674
GOLF OPERATIONS	2,366,747	1,843,068	523,679	2,525,706
TENNIS & FITNESS CENTRE	42,058	43,582	(1,524)	67,806
RESTAURANT INCOME	1,104,733	1,210,560	(105,827)	1,721,582
OTHER INCOME			-	5,000
TOTAL REVENUE	\$ 5,594,375	\$ 5,154,570	\$ 439,805	\$ 7,810,768
EXPENSES:				
PAYROLL & RELATED:				
GOLF OPERATIONS	\$ 330,308	\$ 338,789	\$ (8,481)	\$ 536,990
TENNIS & FITNESS CENTRE	127,849	128,245	(396)	208,375
RESTAURANT	748,375	732,161	16,214	1,181,409
GOLF COURSE MAINTENANCE	857,269	874,051	(16,782)	1,426,398
GENERAL & ADMINISTRATIVE	702,267	661,275	40,992	1,088,773
TOTAL PAYROLL & RELATED	\$ 2,766,068	\$ 2,734,521	\$ 31,547	\$ 4,441,945
DIRECT EXPENSES:				
GOLF OPERATIONS	\$ 464,982	\$ 391,377	\$ 73,605	\$ 598,782
TENNIS & FITNESS CENTRE	58,110	71,642	(13,532)	119,681
RESTAURANT CGS	517,334	452,558	64,776	665,791
RESTAURANT OPER EXP	257,110	271,926	(14,816)	425,426
GOLF COURSE MAINTENANCE	745,960	706,572	39,388	1,186,312
GENERAL & ADMIN	232,288	200,001	32,287	315,472
PROPERTY INSURANCE	107,828	115,227	(7,399)	197,532
OTHER	34	8,260	(8,226)	14,160
TOTAL DIRECT EXPENSES	\$ 2,383,646	\$ 2,217,563	\$ 166,083	\$ 3,523,156
OPERATING INCOME/(LOSS)	\$ 444,661	\$ 202,486	\$ 242,175	\$ (154,333)
INITIATION FEES & OTHER	240,399	148,275	92,124	159,250
OPERATIONS RECOVERY SURCHARGE (1/1/21-9/30/21)	152,770	159,685	(6,915)	361,710
SUB-TOTAL	\$ 837,830	\$ 510,446	\$ 327,384	\$ 366,627
RD GOVERNANCE- REVENUE	1,000			-
RD GOVERNANCE- DISTRICT MANAGEMENT	(40,833)			(70,000)
RD GOVERNANCE- LEGAL	(33,971)			(35,000)
RD GOVERNANCE- OTHER	(65,832)			(112,090)
	(139,636)	-	-	(217,090)
SURPLUS FOR OTHER RD NEEDS	\$ 698,194	\$ 510,446	\$ 327,384	\$ 149,537

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- (a) \$524k increase over Budget due to 7,691 more rounds than budgeted, including 3,921 outside rounds, and pricing.
- (b) Continued impact of COVID-19, particularly no Banquet events. 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 \$34k 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 May 31, 2021):

	May			YTD			
	Actual	Budget	Variance	Actual	Budget	Variance	
MEMBERSHIP DUES	\$ 295,014	\$ 292,190	\$ 2,824	\$ 2,375,852	\$ 2,349,550	\$ 26,302	(a)
GOLF OPERATIONS	289,364	196,749	92,615	2,656,111	2,039,818	616,293	(b)
TENNIS & FITNESS CENTRE	7,315	5,935	1,380	49,373	49,517	(144)	
RESTAURANT OPERATIONS	195,140	133,624	61,516	1,299,873	1,344,184	(44,311)	(c)
TOTAL OPERATING REVENUE:	\$ 786,833	\$ 628,498	\$ 158,335	\$ 6,381,209	\$ 5,783,069	\$ 598,140	
INITIATION FEES & OTHER INC	8,142	4,125	4,017	248,541	152,400	96,141	(a)
OPERATIONS RECOVERY SURCHARGE	38,473	40,205	(1,732)	191,243	199,890	(8,647)	
TOTAL OTHER REVENUE:	\$ 46,615	\$ 44,330	\$ 2,285	\$ 439,784	\$ 352,290	\$ 87,494	
TOTAL REVENUE:	\$ 833,448	\$ 672,828	\$ 160,620	\$ 6,820,993	\$ 6,135,359	\$ 685,634	

- (a) Reflects new membership sales for the eight months ending May 2021. Membership dues continue to exceed budget due to strong summer membership sales. New memberships (the basis for Initiation Fees) continue to exceed Budget.
- (b) \$616k over Budget YTD due to pricing and substantially more rounds, as outlined below:

Rounds of Golf:

Member Rounds	4,630	3,320	1,310	30,460	26,690	3,770
Outside Rounds	4,072	3,420	652	26,666	22,745	3,921
	8,702	6,740	1,962	57,126	49,435	7,691

- (c) Reflects continued impact of COVID-19 on restaurant sales, notably banquet events, as well as the deferral of the F&B minimum spend to December 2021 (generally recorded as revenue in December of the prior year).