



STATE OF THE CLUB

2021

Every December, we provide a report to our membership in which we discuss the highlights of the year. It's a tradition our founder started and one we hold dear. This year, we have decided to categorize the information because there's news to report on many fronts. If you have questions, ideas or concerns, my door is always open.

MEMBERSHIP

As you can imagine, COVID had a major impact on our membership but we are pleased to report that the Club has rebounded beautifully. As we write this, we have added 191 net new memberships so far this year, putting us within 100 memberships of our pre-Covid levels. Best of all, the new adds represent a wonderful mix of membership types, indicating that we are maintaining our relatability with the young, the young-at-heart and the family unit. Since we pride ourselves on being part of the health and fitness journey for all ages, we are particularly pleased in having regained our momentum with all age groups. Before moving on with the year in review, though, we'd like to thank our long-term members. You play a huge role in our culture and the manner in which you welcome new members is heartwarming and much appreciated. In doing so, you help to ensure the continued viability of the Club and we are very grateful!

FITNESS

To improve efficiency and organization, we rearranged our three major weight floors, upgraded our entire line of Cybex selectorized machines, added Life Fitness power racks to save space through their amazing versatility and rounded out our Hammer Strength line, the most durable line of strength training equipment on the market today. By all accounts, members are pleased with the layout and the flow.

AQUATICS

2021 was a transitional year in Aquatics resulting in the addition of two awesome new leaders - Dolphin Head Coach, Steve Hall, and Swim Academy Coordinator, Amy Hudson. We are pleased to announce that all restrictions have been lifted allowing for the return to a normal meet schedule for our swim team. In addition, we are currently fine-tuning our Academy curriculum in time for the spring and summer seasons.

YOUTH

Starting in December, as a concession to our families with young children, we opted to do away with our maze fees. Now, all children ages five and above can visit the Down Under Center free of charge.



TENNIS

Central Arkansas saw an explosion of people playing tennis during COVID. While we have known how great it is for years, we're thrilled so many new people are trying it. At present, our Tennis Academy is the largest it's ever been, with 165 kids at Athletic alone. In addition, 60 adults participated in our Play Tennis Quick program this year. We have also seen beginning and advanced players enjoy being on court at the same time in our Orange Ball Mayhem classes - an amazing cardio workout hidden in all the fun of playing tennis.

While all this bodes well for the Club, scheduling courts can be exciting, at times. It took some doing, including finding a few hidden surprises, but we managed to have all our courts resurfaced this year. Additionally, we have successfully worked with the Arkansas Tennis Association enabling them to assign match times on our courts for our USTA league teams.

PICKLEBALL

While we used to think of pickleball as a subset of tennis, this year it grew into a category of its own. Today, we have leagues, open play and two pickleball instructors providing private, group and "Play Pickleball Quick" lessons.

TECHNOLOGY

Behind the scenes, we have a team of five that spearhead our technology decisions and implementations. This year's focus has been launching our new website, a beautiful and user-friendly creation made possible with the help of our longtime friends at CJRW. While not as exciting, but infinitely important, we also upgraded our accounting software, replaced a dinosaur of a phone system with Zoom and are tracking our equipment on FitnessEMS, a turnkey solution for health club asset repair and maintenance. Finally, in February, we kicked off our TAC rewards program where you can earn points for a variety of activities like coming to the Club, training, referring friends - even having a birthday! Once earned, you can use your points on select products, hotel savings, in-club services, brand name merchandise (which will be available through our new online member store in 2022), events and more.



SATISFACTION

Within our system, we use two tools to measure member satisfaction. The first, Net Promoter Score, measures customer experience and predicts future business growth. The calculation of this metric is based on responses to a short survey members receive via email up to four times per year. Currently, ours is 77 which is comparable to those reported by Starbucks and Costco.

The second, attrition, tracks the length of time members maintain their membership. This is an industry wide metric clubs use to track the health of their organizations. Ours has been well below industry averages and continues to remain low in spite of the pandemic. Again, thank YOU for your continued support.

EXPENSES AND DUES

Our goal is to keep improving the Club and increasing its value to you. (See the list below for our 2021 capital expenditures.) As you know, we don't ask our members for capital assessments, instead we incrementally adjust our dues to keep pace with inflationary pressures on our expenses. Unfortunately, inflation is on the rise. The current 12-month rate is 5.4% and is expected to be 6.1% by the end of the year. This will be the highest rate of inflation since 1990. Therefore, in January we are raising our monthly dues by the amounts below. (As a reminder, we did not raise dues in 2021.)

Individual - \$5 (\$5.44 with taxes)

Young Individual - \$4 (\$4.36 with taxes)

Senior Individual - \$4 (\$4.36 with taxes)

Senior Couple - \$6 (\$6.54 with taxes)

Family - \$8 (\$8.72 with taxes)

*For your convenience, we have included a 2022 dues schedule on the final page of this document.

2021 CAPITAL EXPENDITURES

Fitness Equipment (22 Hammer Strength pieces, 15 Eagle NX pieces, 7 ellipticals, 6 Keiser bikes, 4 Freemotion treadmills, 3 Life Fitness Integrity bikes, 2 Peloton bikes, 2 incline trainers, 2 Icon treadmills)	\$240,995
Pool Improvements (Recreational pool resurfacing, bubble blower, pumps, motors, landscaping)	106,975
Tennis Court Resurfacing	70,456
Roof Work	51,942
Miscellaneous Improvements (painting, small furniture, steel door, heat exchanger, Snack Shack wiring, maintenance trailer)	22,565
Website	17,500
HVAC Control System	16,850
IT Hardware	10,749
Parking Lot Security Cameras	5,100
TOTAL	\$543,132

FUTURE PLANS

In our communication with clubs throughout the country, we continue to hear devastating stories about the impact of Covid on finances. Blessedly, we were in a strong position going into the storm and - because of your loyal support - continue to be so. As such, we are prepared for more reinvestment in the Club during 2022. However, inflation may be a hiccup. Improvements in the Group Exercise Studio are coming soon but as we explore costs of pickleball courts and locker room updates (to name a few of the items on our list), the quotes are coming in very high. We will continue looking at all of our options and if estimates fall in line and we can source contractors and suppliers so that plans don't get bogged down, we will start a number of exciting new projects in the upcoming year. Please stay tuned for news and know that we feel great responsibility for being good stewards of Club finances.

As always, if you have questions, concerns or ideas, we would love to hear from you! In the meantime, we will have another longtime tradition - our coupon book - ready for you after January 5. Valued at over \$650, every membership receives one. You will find guest vouchers worth \$80 and discounts on many Club products and services. Just stop by the Membership Office at your convenience to nab yours.

On behalf of all our staff, thank you for your membership and the faith you place in us.

Have a happy and healthy holiday season!



Frank Lawrence, CEO



2022 Membership Pricing

Little Rock Athletic Club

Individual	Family	Young Individual
monthly dues \$108 with taxes \$117.72	monthly dues \$160 with taxes \$174.40	monthly dues \$84 with taxes \$91.56
\$300 Joining Fee	\$500 Joining Fee	\$240 Joining Fee

Senior Individual	Senior Couple	Dependent (3 - 18 years)	Dependent (19 - 24 years)
monthly dues \$84 with taxes \$91.56	monthly dues \$122 with taxes \$132.98	monthly dues \$12 with taxes \$13.08	monthly dues \$26 with taxes \$28.34
\$240 Joining Fee	\$400 Joining Fee	\$0 Joining Fee	\$0 Joining Fee

All-Access

Little Rock Athletic Club • Little Rock Racquet Club • North Little Rock Athletic Club • Downtown Athletic Club

Individual	Family/ Couple	Young Individual
monthly dues \$117 with taxes \$127.54	monthly dues \$185 with taxes \$201.66	monthly dues \$97 with taxes \$105.74
\$300 Joining Fee	\$500 Joining Fee	\$240 Joining Fee

Senior Individual	Senior Couple
monthly dues \$97 with taxes \$105.74	monthly dues \$151 with taxes \$164.60
\$240 Joining Fee	\$400 Joining Fee