

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

Overview:

August was a poor revenue month which was saved by payroll savings. Most of the savings were due to short-staffing while changes in the management team also contributed. Overall, the property finished behind of EBIDTA by \$1.3k.

Lincolnshire Fields
 Standard Summary Income Statement
 For the Ten Months Ending August 31, 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
REVENUES											
28,710	40,785	70%	49,206	59%	173,731	204,706	85%	215,225	81%	289,971	249,423
16,433	20,700	79%	18,138	91%	126,654	158,600	80%	153,531	82%	212,300	185,789
689	0	0%	650	103%	3,989	0	0%	3,749	100%	0	8,140
0	0	0%	20	0%	20	0	0%	245	8%	0	50
78,758	99,144	79%	98,183	100%	894,040	849,985	100%	802,781	110%	783,236	800,463
155,387	148,305	105%	140,724	110%	1,443,887	1,453,238	99%	1,336,978	100%	1,748,301	1,725,374
4,000	0	0%	4,000	100%	87,600	127,000	69%	110,600	79%	127,000	89,600
1,906	3,400	56%	3,728	51%	22,347	23,350	96%	27,104	82%	23,600	23,129
(143)	0	0%	(530)	34%	242	0	0%	(1,869)	15%	0	10,184
285,720	312,314	91%	312,058	92%	2,642,509	2,616,857	97%	2,451,545	104%	3,156,307	3,082,102
COST OF SALES											
13,757	15,939	86%	13,070	105%	97,756	121,878	81%	120,702	81%	182,523	141,530
34,312	36,230	95%	29,441	117%	245,540	255,440	96%	211,475	116%	298,978	292,549
48,069	52,169	92%	42,511	113%	343,296	377,117	91%	332,177	103%	461,500	434,080
83.7%	77.0%	108.7%	72.1%	116.2%	77.2%	76.7%	100.6%	78.6%	98.2%	76.6%	909.8%
43.6%	36.6%	119.2%	30.6%	142.3%	37.4%	39.3%	95.2%	36.2%	103.3%	39.2%	504.7%
PAYROLL											
54,019	54,947	98%	44,374	122%	388,789	417,832	93%	385,904	100%	519,260	473,380
11,335	18,889	60%	14,780	77%	99,828	135,096	74%	119,956	83%	185,633	126,326
63,424	66,522	95%	57,048	111%	511,520	493,161	104%	419,368	123%	577,049	613,151
8,330	19,988	42%	10,612	80%	54,071	73,866	73%	89,332	78%	75,081	49,091
17,253	20,033	86%	19,733	87%	173,875	210,621	83%	210,871	82%	250,436	214,770
155,361	179,489	87%	146,546	106%	1,233,884	1,330,386	93%	1,185,441	104%	1,586,469	1,483,719
OPERATING EXPENSES											
34,741	40,883	85%	36,619	95%	248,953	248,641	100%	238,464	105%	294,781	307,876
1,731	2,581	67%	1,731	100%	20,693	22,040	94%	18,959	109%	26,582	29,633
1,518	700	217%	2,202	69%	7,719	8,370	92%	11,410	68%	10,180	8,617
17,818	10,503	170%	6,213	287%	108,618	94,276	115%	74,487	145%	109,196	128,140
2,657	2,650	100%	4,456	60%	27,206	21,749	125%	19,416	140%	23,149	30,316
58,789	55,014	107%	51,978	113%	485,823	518,924	94%	447,192	109%	623,731	612,910
115,233	112,331	103%	103,197	112%	900,872	916,000	96%	809,929	111%	1,087,630	1,117,693
318,682	343,989	93%	292,254	109%	2,477,252	2,623,504	94%	2,327,547	106%	3,135,589	3,036,491
(2,942)	(31,675)	104%	19,805	-165%	65,257	(6,647)	-882%	123,998	53%	20,718	56,611
FINANCING ACTIVITY											
(1,284)	(9,575)	13%	(5,402)	24%	(44,308)	(95,750)	46%	(56,400)	79%	(114,900)	(55,267)
(1,802)	0	0%	(1,341)	120%	(15,470)	0	0%	(15,200)	102%	0	(20,582)
178	0	0%	55	323%	1,183	0	0%	505	234%	0	1,280
(2,708)	(9,575)	28%	(6,689)	40%	(68,595)	(95,750)	61%	(71,095)	82%	(114,900)	(74,589)
OTHER INCOME (EXPENSE)											
50,439	48,595	105%	46,777	108%	475,739	476,221	100%	447,795	100%	572,348	589,707
0	0	0%	0	0%	0	0	0%	106,882	0%	0	0
(34,095)	(36,217)	94%	(34,452)	96%	(340,948)	(356,984)	95%	(344,917)	99%	(429,420)	(420,746)
0	0	0%	0	0%	9,670	0	0%	1,500	445%	0	8,670
0	0	0%	(14,489)	0%	(5,754)	0	0%	(14,489)	40%	0	29,207
16,344	12,378	132%	(2,183)	-749%	136,706	119,227	114%	196,591	69%	142,920	176,597
(19,306)	(28,872)	67%	10,933	-177%	142,368	16,830	846%	249,493	57%	48,738	158,949
350	395	89%	382	92%	1,347	1,858	72%	1,944	69%	2,386	2,032
1,825	2,830	73%	2,830	81%	9,215	12,320	75%	11,801	79%	15,810	11,756
0	0	0%	2	0%	283	0	0%	22	1288%	0	280
2,275	3,025	75%	2,764	82%	10,845	14,178	76%	13,767	79%	18,198	14,078
816	781	106%	817	100%	1,889	1,409	134%	1,261	150%	1,323	45,020
126	103	122%	113	111%	234	165	142%	173	132%	173	3,874
82	103	79%	129	64%	129	110	117%	111	119%	119	1,609
13	13	94%	18	71%	16	14	111%	16	102%	18	157
35	33	106%	35	99%	63	46	138%	44	144%	42	1,028
7	7	108%	7	110%	12	11	104%	11	105%	12	172

Financial Performance:

Revenues:

August revenues finished at \$287.7k versus a budget of \$312.3k and prior year actuals of \$312k.

Dues have continued to close the gap and now trail the budget by \$10k. There are no new memberships budgeted for the remainder of the year. Interest continues to be strong so there is an opportunity to make up ground on the initiation fee line during the last quarter.

August was a poor weather month and Food & Beverage revenues showed that. We operated with limited hours at Stingrays and had poor weekend weather. The department finished behind by over \$20k. The first significant revenue miss of the season

Golf operations were also well behind budget and prior year. The club hosted three golf outings in August of 2021. None of these events were retained. Two events were University of Illinois affiliated and chose to hold their events at Atkins Golf Club. The third was cancelled due to lack of organization. The dues line contributed \$155.4k, ahead of budget for the third straight month. Greens fees trailed by roughly \$5k and cart revenue finished at \$19k on a budget of \$26.4k

For the fiscal year, total revenues throughout the facility are now trailing the budget by \$74.4k (3%) while outpacing the prior year by \$91k (4%).

Payroll:

Payroll provided significant savings in August, finishing the month at \$155.4k on a budget of \$179.5k. Payroll was under in all departments for the first time this year. The most significant savings came from the pool. Lifeguard staffing was short throughout August, and we were lucky to have a few lifeguards on duty for the weekend. A plan to combat this trend will need to be formulated for next season.

Food & Beverage operated under budget with a total payroll of \$63.4k on a budget of \$66.5k. We were short-staffed throughout most of the month and were not operating Stingrays fully. The weather also meant fewer hours of busy operation. We were hiring and training, and think staffing issues will settle as we get into September. For the fiscal year, the total payroll in F&B is now 5% above budget at \$517.5k versus a budgeted \$493.2k.

For the fiscal year, the club is now 7% below budgeted payroll, saving \$96.5k. We will continue to operate efficiently throughout the property and hope for a rebound in revenue in September.

Expenses:

OPEX ran slightly over budget again in August with increased overhead for utilities, some maintenance and repair, new silverware and glassware, and higher than anticipated linen expenses. Operating expenses finished the month at \$115k versus a budget of \$112k.

Course & Grounds saved \$6k, spending \$34.7k versus a budget of \$40.9k. The department had another month of chemical savings due to cooler temperatures in August which meant less pesticide use. Utilities and fuel expenses increased significantly and some equipment repairs were the main overages.

Food & Beverage had several supply and maintenance and repair items hit in August. The club ordered silverware and glassware that was delivered in August. Both Stingrays and the Clubhouse had cooler breakdowns that needed to be serviced. Overall, F&B finished the month at \$17.8k on a budget of \$10.5k.

We continue to see some artificial savings versus budget because we have not been billed for the annual audit. 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 83.71%. Higher than anticipated with some shrinkage in ball and glove inventory. This will be monitored. Merchandise COGS % is now 77.18% for the year.

Beverage COGS% were high, finishing the month at 33.57% versus a 30.00% expectation. Food COGS% was 51.59% on a budget of 40.41%. This was the first time Adam has run over budget in COGS. Analyzing this, we believe there are some margin adjustments we need to make with a few of the golf events in August, specifically, Hullabaloo.

Summary:

The club had a poor revenue month and was saved by the dues line and low payroll. The club finished the month \$1.3k behind on EBITDA. For the year, EBITDA is \$65.3k on a budget of -\$6.6k.

Labor Day is traditionally the end of the season, but we have a lot in store in September. We will aerify the golf course, host our Fall League, and hold the annual Harvest Beer Festival and Fall Family Fun Festival. September is going to be a fun month at LFCC.

Key Performance Highlights:

- Total revenues \$285.7k on budget of \$312.3k and prior year of \$312k.
- Dues finished at \$155.4k on a budget of \$148.3k.
 - The monthly dues line is currently \$15k higher than prior year.
 - The dues line is outpacing prior year by \$104k through August.
 - Two new members were added in August
- Payroll was under budget by \$24k in August.
- OPEX finished at \$115k versus a budget of \$112k.
 - Increased utility & fuel costs across the property.
 - Maintenance and repair of coolers in Clubhouse and Stingrays
 - Linen costs are high and are being investigated.
- Poor COGS numbers with 83.71% for merchandise on budget of 77% and Food and Beverage finishing at 43.57% on budget of 36.54% and prior year of 30.61%.

Key Performance Issues:

- Payroll was low because of staffing turnover and short-staffing issues.
 - Limited hours of operation at Stingrays due to staffing and weather.
 - Staff attrition means more hiring, more training, and more operational coverage for our management team.
 - We have added some flex kitchen staff to help clean the building after contract cleaning services were canceled.
- We continue to have areas of need on the supply and maintenance side.
 - The building's deferred maintenance is slowly being addressed.
 - Glassware was ordered in August. Continually assessing.
 - Scott has communicated the need for equipment repair and maintenance given the delay in receiving new equipment from manufacturers.
 - Air Conditioning unit for Kitchen and 19th Hole was replaced.
- Marketing and events have taken a hit with recent changes to the management team.
 - Budget and planning to have these needs addressed.

Key Actions to Drive Performance:

- Fall League in September.
- Harvest Beer Festival and Family Fun Festival are planned and ready.
- New website and club app are being explored.
 - Added amenity for the membership.
- New menu will launch with a entire revamp scheduled for October.

Membership Update:

Current Membership Numbers: 441 Total

Equity	169
Junior	98
Under 35	36
35-37	46
38-39	16
Social	114
Honorary	38
Honorary Social	3
Dining	12
Non-Resident	7

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 Vansant (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

RESIGNED MEMBERS	MEMBERSHIP TYPE	OFF THE SYSTEM	REMARKS
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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