



To: Toney Tomaso, President LFCC  
 From: Justin Waffle  
 CC: Board of Directors, Morgan Gonzales (KS)  
 Re: Lincolnshire Fields Country Club

The following is Lincolnshire Fields Country Club's financial and operational summary report for December.

Lincolnshire Fields  
 Standard Summary Income Statement  
 For the Two Months Ending December 31, 2020

Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY	Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget
<b>REVENUES</b>										
1,962	360	545%	48	4088%	Green Fees & Cart Fees	10,608	1,120	947%	365	250,876
7,359	3,918	188%	5,669	130%	Merchandise	13,947	5,874	237%	7,985	177,741
40	0	0%	0	0%	Other Pro Shop	1,229	500	246%	1,054	4,500
0	0	0%	0	0%	Range	0	0	0%	0	0
33,858	56,072	60%	66,575	51%	Food and Beverage	63,273	93,069	68%	105,705	792,592
123,657	125,190	99%	129,378	96%	Membership Dues	253,396	252,004	101%	257,052	1,562,018
2,400	0	0%	0	0%	Membership Initiation Fees	3,200	0	0%	0	77,000
0	0	0%	0	0%	Other Operating Revenues	0	0	0%	0	27,500
(96)	2,542	-4%	2,542	-4%	Other G&A Income	538	2,845	19%	2,845	17,459
<b>163,177</b>	<b>188,083</b>	<b>90%</b>	<b>204,212</b>	<b>83%</b>	<b>TOTAL REVENUE</b>	<b>346,190</b>	<b>355,412</b>	<b>97%</b>	<b>375,006</b>	<b>2,908,717</b>
<b>COST OF SALES</b>										
6,391	3,315	193%	5,505	119%	Merchandise	11,301	4,781	236%	7,075	131,715
11,926	15,831	76%	22,012	54%	Food & Beverage	22,802	29,866	76%	36,382	296,090
<b>18,316</b>	<b>19,145</b>	<b>96%</b>	<b>27,517</b>	<b>67%</b>	<b>TOTAL COGS</b>	<b>34,103</b>	<b>34,648</b>	<b>98%</b>	<b>43,456</b>	<b>427,806</b>
86.8%	84.6%	102.7%	97.1%	89.4%	COGS - Merchandise %	81.0%	81.4%	98.5%	88.6%	74.1%
42.6%	34.2%	124.5%	38.7%	110.0%	COGS - Food %	41.3%	36.7%	112.6%	38.7%	40.2%
<b>PAYROLL</b>										
26,488	24,381	117%	26,682	107%	Course and Grounds	61,973	55,897	111%	52,489	451,626
9,509	6,574	145%	5,185	183%	Pro Shop	18,571	17,149	108%	10,674	145,239
29,763	38,031	78%	39,378	76%	Food and Beverage	61,577	72,534	85%	72,901	524,916
0	0	0%	0	0%	Other Operating Departments	0	0	0%	0	66,286
19,967	23,861	84%	16,540	120%	General and Administrative	43,205	47,507	91%	35,003	299,084
<b>87,728</b>	<b>94,848</b>	<b>92%</b>	<b>87,885</b>	<b>100%</b>	<b>TOTAL PAYROLL</b>	<b>185,326</b>	<b>193,087</b>	<b>96%</b>	<b>171,067</b>	<b>1,457,152</b>
<b>OPERATING EXPENSES</b>										
7,325	4,611	159%	4,772	154%	Course and Grounds	17,306	9,642	179%	9,271	281,354
1,731	1,731	100%	1,731	100%	Carts, Range, Starters, Etc.	3,462	3,462	100%	3,462	23,272
1,307	313	418%	671	195%	Pro Shop	2,614	835	313%	945	276%
5,941	9,807	61%	9,195	65%	Food and Beverage	10,381	18,814	55%	18,116	124,364
266	140	190%	60	445%	Other Operating Departments	(278)	215	-129%	(135)	22,399
34,918	44,098	79%	43,609	80%	General and Administrative	71,202	85,566	83%	82,175	523,219
<b>51,489</b>	<b>60,689</b>	<b>85%</b>	<b>60,038</b>	<b>86%</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>104,687</b>	<b>118,534</b>	<b>88%</b>	<b>113,835</b>	<b>984,703</b>
<b>157,533</b>	<b>174,692</b>	<b>90%</b>	<b>175,440</b>	<b>90%</b>	<b>TOTAL EXPENSES</b>	<b>324,116</b>	<b>346,268</b>	<b>94%</b>	<b>328,358</b>	<b>2,908,660</b>
<b>11,644</b>	<b>13,391</b>	<b>87%</b>	<b>28,772</b>	<b>40%</b>	<b>EBITDA</b>	<b>22,074</b>	<b>9,144</b>	<b>241%</b>	<b>46,648</b>	<b>57</b>
<b>FINANCING ACTIVITY</b>										
(7,004)	(8,719)	80%	(7,128)	98%	Interest Expense - Debt	(13,376)	(17,967)	74%	(14,755)	(105,457)
(1,297)	0	0%	(1,591)	82%	Interest Expense - Leases	(2,659)	0	0%	(3,212)	0
22	24	93%	24	93%	Interest Income	47	44	106%	44	271
<b>(6,279)</b>	<b>(8,696)</b>	<b>95%</b>	<b>(6,636)</b>	<b>95%</b>	<b>TOTAL FINANCING ACTIVITY</b>	<b>(15,988)</b>	<b>(17,923)</b>	<b>89%</b>	<b>(17,923)</b>	<b>(105,186)</b>
<b>OTHER INCOME (EXPENSE)</b>										
43,047	44,350	97%	44,299	97%	Dues - Capital Improvement	86,055	87,991	98%	89,754	545,140
(36,036)	(37,952)	95%	(37,952)	95%	Depreciation & Amortization	(72,072)	(73,986)	97%	(71,325)	(435,468)
0	0	0%	0	0%	Gain/(Loss) On Disposal Of Assets	0	0	0%	0	0
<b>7,011</b>	<b>6,398</b>	<b>110%</b>	<b>6,347</b>	<b>110%</b>	<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>13,983</b>	<b>14,003</b>	<b>100%</b>	<b>18,429</b>	<b>108,672</b>
<b>10,376</b>	<b>11,093</b>	<b>94%</b>	<b>26,424</b>	<b>39%</b>	<b>NET INCOME</b>	<b>20,069</b>	<b>5,224</b>	<b>384%</b>	<b>47,154</b>	<b>4,542</b>

### **Overview:**

December was not quite the same as past years as a result of the ongoing pandemic. Unlike prior years there were no holiday parties or celebrations. In normal years, the club hosts roughly 13-15 events generating an additional \$35-\$40k in Food and Beverage revenue. Even with the mitigation standards in place, we were able to modify several of our traditional events such as Visit with Santa and the Ladies Holiday Lunch. Despite the challenges December displayed steady business in the F&B and Golf departments, resulting in only a small miss to budget. Unlike past years the weather was slightly milder creating significantly more traffic on the golf course and again the club experienced record rounds. Overall, the club had another solid month despite minimal clubhouse use.

### **Financial Performance:**

**Revenues:** Revenues in the December budget were conservatively forecasted as result of the pending mitigation standards due to the pandemic. Unfortunately, we anticipated the club would be open to small gatherings and be able to host small holiday parties. With no events allowed the club missed budgeted revenues by only 10% and prior year by 17%. Again, F&B department sustained greatest impact missing revenues by \$22.2k. The team did an excellent job driving sales with take and bake options, contacting members reminding them of their minimum spend and providing a variety of F&B kits. Sporadic warm spells allowed the golf department to see record rounds helping the department outpace revenues. Cart and Green fee revenues were over budget by \$1.6k while merchandise exceeded budget by nearly double (\$3.5k). Membership came up just short of budget generating \$126.1k of revenues on a budget of \$127.7k. Overall revenues were \$169.2k on a budget of \$188.1 and prior year of \$204.2.

**Payroll:** Significant payroll was saved offsetting the miss in revenues. Overall, the team was able to save \$7.1 or 8% to budget for the month, providing the necessary flow through for a very successful month. As expected, the Grounds department was slightly over due to the last installment of seasonal bonuses and continued progress on the completion of the bunker edging and sand replenishment projects. With operations significantly altered and no private events, the F&B department made the largest contribution, saving nearly \$8.2k in its department's payroll. Admin was able to save an additional \$3.9k because of no membership director's currently on staff. Lastly, the golf department was over by \$1k to budget as a result retaining a year-round assistant golf professional. YTD payroll is down to budget by 4% and over prior year by 8%. Almost all savings this fiscal year have come as result of the reduced F&B staff due to the limited operation. Payroll is flat to prior year due to the increase in minimum wage and prior year admin payroll was significantly reduced due to a period without GM and Membership Director salaries.

**Expense:** Expenses were also significantly lower to budget and prior year. With modified operations in the F&B department significant savings were recognized. Cleaning chemicals, repairs, and decorations for special events were dramatically reduced over prior years, saving roughly \$4k in expenses. Admin recognized about a \$9k savings as a result of a decrease in utilities, clubhouse cleaning and decorations. There was a couple unexpected expense due to several repairs to the clubs HVAC system that needed to be made. Grounds was over by roughly \$2.7k to budget with majority of the overage being contributed to the removal of the spoils from bunker project. Additional repairs and sand for bunkers also influenced the overage in grounds. Lastly, Golf was over due to reimbursement for Matt B. to complete his PGA level one education. YTD there has been a 12% in expenses helping to drive necessary flow through to the bottom line. Cost of sales are expected to be slightly higher than budget for Food and Beverage and Golf.

**Summary:** Overall, the club continues to have a solid start to the fiscal year. The club is currently positioned well ahead of budgeted EBITDA recognizing \$22.1k on a budget of \$9.1k. The team is sharply focused on driving member engagement through curbside orders and virtual activity through Facebook and other platforms. For the month of January, we are testing a couple of outdoor events to encourage interaction amongst our membership. Our major focus for the offseason continues to improve upon the Food and Beverage experience through improved training, work on several maintenance projects as well as recruiting a new Director of Membership & Communication. The team looks forward to a very productive offseason as we continue to manage amidst a pandemic

**Key Performance Highlights:**

- Membership Dues Revenue was roughly \$123.7k on a budget of \$125.2K and prior year of \$129.4k.
- Total revenues \$169.2k on budget of \$188.1k and prior year of \$204.2k.
- Payroll was under budget by \$7.1k and over flat to prior year for the month of December.
- Expenses \$9.2K under budget and under \$8.5k to prior year for the month of December.
- COS finished at 87% for merchandise on budget of 85% and prior year of 97% and Food and Beverage will finish at 43% on budget of 34% and prior year of 39%.
- Record golf rounds were experienced in December
- Modified traditional holiday events to provide members continuous programming in December. Over 125 people come to the visit with Santa and 75 for the Grinch visit. Sold roughly 25 cookie decorating kits and had roughly 15 people attended the Ladies Holiday Lunch.

**Key Performance Issues:**

- COVID-19: Recent surges in cases have led to increased mitigation standards which may have a negative impact winter. Currently, access to the clubhouse is very limited. Curbside is the only dining option while golf is unaffected. Plans will be continuously reviewed to ensure members have as much access to the club under the potential new standards from the Governor's office.
- Private Events- No private event bookings for the holidays which normally contributes an additional \$35-\$40k of revenue. Our team has developed a Holiday Catering menu and take-n-bake options to drive additional sales.

**Key Actions to Drive Performance:**

- Successfully hosted virtual Annual Meeting on December 7<sup>th</sup>
- Finalizing plans for Board of Directors strategic planning meeting
- Developed club calendar through end of February
- Food and Beverage Manager is refining staff training manual to achieve consistency and quality of our training program.
- New menu development- Chef has analyzed the menu and will introduce several new items replacing non-selling items.
- Calling members to provide them information about their food minimum, curbside options, and upcoming events.

**Membership Count:**

	Budgeted	Current		Budgeted Adds	Current Adds	Budgeted Subs	Current Subs
<b>Membership Category</b>							
Equity	147	148		0	1	3	4
Junior 35	37	38		2	0	2	2
Junior 35-37	25	31		1	0	2	1
Junior 38-39	16	12		0	0	1	2
Honorary	37	34		0	0	0	0
Social	87	92		1	0	5	3
Dining	18	16		0	0	0	1
Non Res	12	12		0	1	0	0
<b>Total</b>	<b>384</b>	<b>383</b>		<b>4</b>	<b>2</b>	<b>13</b>	<b>13</b>

## **Golf Report: Rob Walls, Head Golf Professional**

December was another great month for the golf department. We saw continued good weather and play on the course through the week of Christmas. The course saw 213 rounds of golf for the month. In 2019, there were a total of 59 rounds. In 2018, there were 45 rounds played. Even as the weather turned, we had members who were anxious to get on the course. We hope golf continues to flourish in 2021!

For the month, the golf department finished significantly ahead of budget and prior year in both greens and cart fees. Cart fees finished at \$972 versus a budget of \$360 and prior year actuals of \$48. Greens fees came in at \$990 versus a budget and actual of \$0. Greens fees were boosted by a guest pass sale that allowed members to buy passes for the upcoming calendar year. These combined revenue totals outpaced budget by \$1,602.

Merchandise sales we solid in December. There was a total of \$7,359.08 sold versus a budget of \$3,918 and '19 actuals of \$5,669. Special orders totaled \$1,427.48 as we saw the rest of our late club and shoe orders arrive after significant delays. On a positive note, the Golf Shop did see strong out-of-inventory sales in December. We ran several promotions that drove traffic. The perfect gift at every price point and the Facebook flash sale were successful in moving aged inventory. We also ran a sweatshirt and t-shirt bundle as a holiday package. Cost of goods ran high at 86% as we discounted aged inventory and sold at a loss. Overall, it was a solid merchandising month with room for improvement.

As stated last month, the club's inventory is in a much better position as we start this fiscal year versus years prior. We are still hoping to move some aged inventory, but the Golf Shop is set up for a fresh start in spring of 2021. We will be returning our shoe, sunglass, and club inventory out in January so we should see inventory levels down near \$50k at the end of January which is our target goal.

Some additional notes regarding golf activity:

- The golf department has limited flexibility with payroll as we are not utilizing any hourly staff.
- Golf Genius software was acquired at the end of October, and we have been working on integration with our website and getting out tournament pages up and running.
- The golf calendar has been created and will be approved by the golf committee in January.
- Several offseason projects are underway.
  - o Cleaning, organizing and development of new scorecard.

Thank you for all your support! Happy New Year!

## **Membership Status as of 12.31.20: Justin Waffle GM**

### **Sales:**

- **New Membership**
  - o 1 Non-Resident
- **New member Leads**
  - o Several potential leads- 3 Equity, 2 Junior & 2 Social

### **Marketing:**

- **Promotions:** Promoting reduced initiation fee through January with two-year commitment
- **Facebook:** Consistently posting on Facebook.
  - o Menu Mondays
  - o Golf Tuesday
  - o KOC Thursday
  - o Family Corner Saturday
- **Canva:** Added more content to the Monthly Newsletter design and weekly updates.

## Grounds Recap: Scott Werner, Superintendent

Winter weather finally arrived during the month, with the course opening and closing a few times due to freeze/thaw conditions. After a few mild days late in the month with quite a few golfers taking advantage, the course is currently closed and the forecast for January looks to be cold, so golf is probably over for a while. The limited grounds staff again spent most time on bunker restoration this month.

### Grounds notes for December:

We were not directly impacted in the grounds department by Covid-19 during the month.

December expenses again ran a little high due to a few late chemical applications and a topdressing application to greens. Both were the results of an extended playing season. Equipment repair was also high for the month but is just a timing issue and should balance out going forward.

### Grounds projects during December:

- Performed the final scheduled fungicide/plant health application to all greens for 2020.
- Performed the final scheduled fungicide/plant health application to all tees for 2020.
- Performed one heavy sand topdressing application to greens.
- Winterized the irrigation system.
- Performed re-definition and sand addition to remaining fairway bunkers to complete this project.
- Maintained all outdoor Christmas lights around clubhouse areas.
- Began work on the repair of a 10-inch isolation valve at the irrigation pump house.
- Brought in remaining trash cans and miscellaneous course accessories.
- Cleaned and stored course and range accessories and stored for the winter.
- Began repair and sharpening of all reel mowers.
- Began some repairs to staff locker and lunchroom and prepped for a fresh coat of paint.

### December Photos:



**Holiday lighting at LFCC**



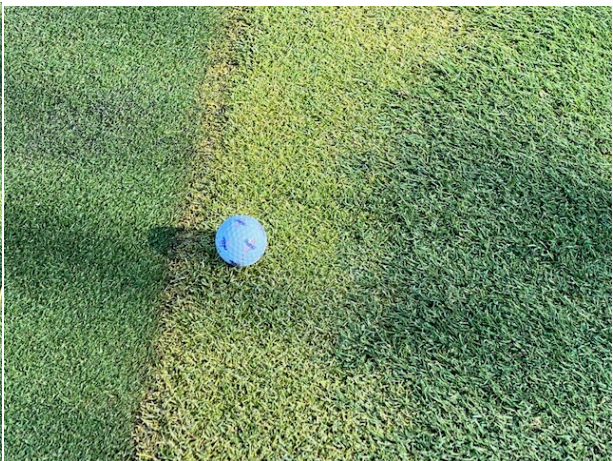
**Fairway bunker work**



**Spoils from 3 fairway bunkers**



**Still green for part of December**



**Poa Annua on green aprons under the effects of Poa Cure herbicide**

The data in this report is compiled by utilizing the best information available from our operational reports for the outlined month of operations. All information gathered is taken from the Jonas point of sale, internal departmental checkbooks/invoice logs and accounting package provided by our home office accounting team.

Justin Waffle, PGA  
General Manager  
Lincolnshire Fields Country Club