



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 January.

Lincolnshire Fields
Standard Summary Income Statement
For the Three Months Ending January 31, 2021

Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget
					REVENUES						
40	270	15%	0	0%	Green Fees & Cart Fees	10,648	1,390	76%	365	2917%	250,876
1,017	1,613	63%	1,464	69%	Merchandise	14,964	7,487	200%	9,449	189%	177,741
0	500	0%	756	0%	Other Pro Shop	1,229	1,000	123%	1,810	68%	4,500
0	0	0%	0	0%	Range	0	0	0%	0	0%	0
17,147	29,407	58%	27,221	63%	Food and Beverage	80,419	122,476	66%	132,926	60%	792,592
131,015	124,684	105%	123,495	106%	Membership Dues	384,411	376,698	102%	380,547	101%	1,562,018
800	0	0%	0	0%	Membership Initiation Fees	4,000	0	0%	0	0%	77,000
0	0	0%	0	0%	Other Operating Revenues	0	0	0%	0	0%	27,500
154	1,746	9%	1,746	9%	Other G&A Income	692	4,591	15%	4,591	15%	17,489
150,172	158,229	95%	154,682	97%	TOTAL REVENUE	496,362	513,642	97%	529,688	94%	2,909,717
					COST OF SALES						
1,339	1,444	93%	1,356	99%	Merchandise	12,640	6,226	203%	6,431	150%	131,715
8,763	12,878	68%	9,715	90%	Food & Beverage	31,565	42,745	74%	46,998	68%	296,090
10,102	14,323	71%	11,072	91%	TOTAL COGS	44,204	48,970	90%	54,528	81%	427,806
					COGS - Merchandise %	84.5%	83.2%	101.6%	89.2%	94.7%	74.1%
					COGS - Food %	44.6%	39.1%	114.0%	38.7%	115.2%	40.2%
					PAYROLL						
24,853	24,540	101%	25,012	99%	Course and Grounds	86,826	80,437	108%	77,502	112%	461,626
9,811	7,156	137%	5,335	164%	Pro Shop	28,382	24,305	117%	16,009	177%	145,239
28,163	34,560	81%	35,872	79%	Food and Beverage	89,740	107,094	84%	108,773	83%	524,916
0	0	0%	0	0%	Other Operating Departments	0	0	0%	0	0%	66,286
19,562	24,780	79%	25,303	77%	General and Administrative	62,767	72,256	87%	60,306	104%	299,084
82,390	91,006	91%	91,523	90%	TOTAL PAYROLL	267,716	284,092	94%	262,590	102%	1,497,152
					OPERATING EXPENSES						
3,874	4,552	85%	5,061	77%	Course and Grounds	21,181	14,195	149%	14,332	148%	281,354
1,731	1,731	100%	1,731	100%	Carts, Range, Starters, Etc.	5,193	5,193	100%	5,193	100%	23,272
1,041	218	477%	81	1290%	Pro Shop	3,655	1,053	347%	1,027	396%	10,095
4,214	6,869	61%	10,383	41%	Food and Beverage	14,595	25,683	67%	28,499	61%	124,364
119	75	168%	52	227%	Other Operating Departments	(159)	290	-56%	(83)	192%	22,399
51,623	54,007	96%	53,472	97%	General and Administrative	122,825	139,573	88%	135,647	91%	523,219
62,601	67,453	93%	70,780	88%	TOTAL OPERATING EXPENSES	167,289	185,986	90%	184,615	91%	984,703
					TOTAL EXPENSES	479,209	519,049	92%	501,733	96%	2,909,680
(4,921)	(14,551)	34%	(18,692)	26%	EBITDA	17,153	(5,407)	-317%	27,956	61%	57
					FINANCING ACTIVITY						
(4,755)	(8,912)	53%	(7,351)	65%	Interest Expense - Debt	(18,131)	(26,879)	67%	(22,106)	82%	(105,457)
(1,299)	0	0%	(1,561)	83%	Interest Expense - Leases	(3,950)	0	0%	(4,773)	83%	0
47	21	225%	21	225%	Interest Income	94	65	146%	65	146%	271
(6,007)	(8,891)	68%	(8,891)	68%	TOTAL FINANCING ACTIVITY	(21,996)	(26,814)	82%	(26,814)	82%	(105,186)
					OTHER INCOME (EXPENSE)						
44,567	44,247	101%	44,864	99%	Dues - Capital Improvement	130,622	132,238	99%	134,617	97%	545,140
(31,403)	(36,783)	85%	(36,783)	85%	Depreciation & Amortization	(103,475)	(110,771)	93%	(108,108)	96%	(436,468)
0	0	0%	0	0%	Gain/(Loss) On Disposal Of Assets	0	0	0%	0	0%	0
13,164	7,464	176%	8,081	163%	TOTAL OTHER INCOME (EXPENSE)	27,147	21,467	126%	26,510	102%	109,672
2,236	(15,978)	-14%	(19,503)	-11%	NET INCOME	22,305	(10,755)	-207%	27,651	81%	4,542

Overview:

The pandemic continued to have a major impact on the club's operation. January, typically a slow month, was even more sluggish than years past due to no indoor dining for the majority of the month. Curbside orders reduced at the start of the New Year dramatically diminished revenues. Fortunately, we were able to transition to indoor dining halfway through the month, boosting sales. The club has experienced steady patronage since reopening, tripling average daily revenues experienced in the first half of the month.

Over the past month we have implemented several engaging events. One of the more popular additions is the run / walk club that takes place every Saturday at 9:00 AM. Each week we have about 20-25 participants, enjoying each other's comradery while food and beverage treats are served after the workout. Another new event that received rave reviews was our golf course scavenger hunt. Over 40 members participated and were tested on their history of the club. The team also offered Live Story-Time and Bingo hosted on our Facebook virtual platform.

Lastly, the team took advantage of the downtime to perform several improvement projects around the club. The F&B team reorganized the storeroom, purging unusable equipment and selling items not used in recent years. Also, we repainted Stingrays floor and the lady's locker room. In addition, we repainted the pool side tables and began fixing pool umbrellas.

Financial Performance:

Revenues: Revenues in the January budget were conservatively forecasted as result of the pending mitigation standards due to the pandemic. We anticipated and budgeted for the club to be fully open for indoor dining. As a result, the club missed budgeted revenues by 5% and prior year by 3%. Again, F&B department sustained the greatest impact missing revenues by \$12.3k. Curbside orders dwindled in comparison to December; however, once indoor dining was allowed sales nearly tripled per day. Golf encountered little to no play due to a cold and wet January resulting in minimal revenues. Cart and Green fee revenues were a total of \$40 while merchandise fell short of expectations totaling \$1,017 on a budget of \$1,613. Membership had a good month, generating \$131.9k in revenues on a budget of \$126.4k. Overall revenues were \$150.2k on a budget of \$158.2 and prior year of \$154.7.

Payroll: Significant payroll was saved offsetting the miss in revenues. Overall, the team was able to save \$8.6k or 9% to budget for the month, providing the necessary flow through for a very successful month. As expected, the Grounds department was slightly over budget due to continued progress on the completion tree limbing projects. With operations significantly reduced in the F&B department, they saved nearly \$6.4k in department's payroll. Admin was able to save an additional \$5.2k because of no membership director's currently on staff. Lastly, the golf department was slightly over budget due to full time expense of the assistant golf professional. YTD payroll is down to budget by 6% and over prior year by 2%. Almost all savings this fiscal year are a result of the reduced F&B staff due to the limited operation. Payroll is over 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: Due to less activity, expenses were slightly under budget and prior year. With modified operations in the F&B department significant savings were recognized. Less Chemicals for the dishwasher, repairs, and supplies contributed to the reduction over prior year and budget, saving roughly \$2.7k in expenses. Both Admin and Grounds recognized small savings to budget and prior year. Overall, the team saved roughly 7% to budget. Cost of sales are were higher in Golf as result of returning several thousands of dollars in product to reset for the new year.

Summary: Overall, the club continues to have a solid start to the fiscal year. The team is sharply focused on driving member participation through curbside orders and virtual activity through Facebook and outside events. By opening indoor dining the plan is to create several more food and beverage events in the upcoming months. 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 \$131k on a budget of \$124.7K and prior year of \$123.5k.
- Total revenues \$150.2k on budget of \$158.2k and prior year of \$154.7k.
- Payroll was under budget by \$8.6k and under \$9.1k to prior year for the month of January.
- Expenses \$4.9K under budget and under \$8.2k to prior year for the month of January.
- COS finished at 132% for merchandise on budget of 90% and prior year of 93% and Food and Beverage will finish at 56% on budget of 46% and prior year of 38%.
- New events: Run / Walk Club- averaged 20-25 people per week; Golf Course Scavenger Hunt- 40 members participated; Virtual Bingo- average of 7 people per week.

Key Performance Issues:

- COVID-19: Recent surges in cases have led to increased mitigation standards which may have a negative impact this winter. Currently, access to the clubhouse is very limited. Curbside is the only dining option while golf is unaffected. Plans are continuously reviewed to ensure members have as much access to the club under the ever-changing standards from the Governor's office.

Key Actions to Drive Performance:

- Finalizing plans for Board of Directors strategic planning meeting
- Developed club calendar through end of May
- Food and Beverage Manager is refining staff training manual to achieve consistency and quality of our training program.
- New menu development- Finished new lunch and dinner menus which will be released the first week of February.
- Notifying members to provide information about their food minimum, curbside options, and upcoming events.

Membership Count YTD:

	Budgeted	Current		Budgeted Adds	Current Adds	Budgeted Subs	Current Subs
Membership Category							
Equity	147	144		1	1	4	5
Junior 35	36	37		2	0	3	2
Junior 35-37	25	26		1	0	2	1
Junior 38-39	16	13		0	0	1	2
Honorary	37	34		0	0	0	0
Social	86	92		1	2	6	3
Dining	18	14		0	0	0	2
Non Res	12	13		0	1	0	2
Total	379	373		5	4	16	17

Golf Report: Rob Walls, Head Golf Professional

In January, the course saw no rounds of golf. Similarly, there were no rounds in 2020. In 2019, we did see 45 rounds as we saw a nice weather weekend. Cold temperatures and wet weather kept players off the course throughout the month. At no point did we have the course open for play.

No rounds of golf meant little revenue from cart or greens fees. We did hold an on-course scavenger hunt that allowed us to rent 8 carts at \$5 each or \$40. This event was a lot of fun as we saw 50 members participate. The golf staff was able to experiment with our new Golf Genius software and had live scoring for the first time. While the budget had no greens fees, there were some budgeted cart fees of \$270.

Merchandise sales were slow in the month of January. The clubhouse was closed for much of the month as the restaurant was limited to curbside pickup service only. Merchandise sales were \$1,016.59 versus a budget of \$1,613. Much of the merchandise sold was aged merchandise sold at a discount. In addition, we returned a lot of inventory during the month (shoes, sunglasses, and equipment). Due to restocking fees and the slow sales month, the cost of good will run high as it has in January each of the past few years. We are currently projecting the cost of goods at 115% with numbers still to be finalized. The cost of goods numbers moving forward should begin to trend downward as we will start utilizing early buy/pay discounting. This has been the trend in February through May over the last several seasons.

On a positive note, as reported the last several months, our inventory is in a healthy position. Our inventory finished January at \$56k and will start the month at \$53k as we received some shoe credits on February 1st. In January of 2020, the Golf Shop inventory was at \$87k. This was far too high. The department developed a very conservative buying plan moving into summer 2020. The covid pandemic further restricted our buying, and we are happy to report that we have set ourselves up for a much cleaner inventory start in 2021. Purchasing for the coming season is completed, and we are looking forward to getting some new inventory in this spring.

Some additional notes regarding golf activity:

- The golf department will run over on payroll throughout this winter. Matt's salary was not originally budgeted, but the management team decided to have him work this offseason helping with offseason projects.
- The 2021 Golf Calendar was finalized and approved.
- The Men's league schedule is in development and will be discussed and approved at the February Golf Committee meeting.
- We have 9 large outside golf events on the schedule for 2021.
 - o These outings offer great revenue potential at around \$10k per event.
 - o In 2018, the club hosted two events of this size.
- Golf Genius software was acquired at the end of October, and we have been busy learning the system and developing programming for next season.
- Offseason projects are underway, Matt and Rob helped paint the women's locker room and finish the floors down at Stingray's.
 - o Also, busy cleaning and organizing.
 - o New scorecard is being finalized and should be ready to print toward the end of February.

Hoping for an early spring and some golf ahead!

Membership Status as of 1.31.21: Justin Waffle, GM

Sales:

- **New Membership**
 - 1 Social
- **New member Leads**
 - Several potential leads- 3 Equity, 5 Junior & 5 Social

Marketing:

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

Grounds Recap: Scott Werner, Superintendent

More cold winter weather in January kept the golf course closed throughout the month. The staff shifted to tree work, with tree and stump removals, as well as limbing-up of all trees underway.

Grounds notes for January:

The Grounds staff continued to remain Covid free during January. January expenses had a few timing related variances in individual accounts but were within the overall monthly budget.

Grounds projects during January:

- Removed and stored all outdoor Christmas lights around clubhouse areas.
- Assisted tree removal contractor with felling and removal of approximately 15 trees around the course.
- Performed limbing-up of all trees on holes 1-13.
- Performed several snow/ice removals of parking and sidewalk areas.
- Continued repair and sharpening of all reel mowers.
- Continued annual repair and service of all ground's equipment.
- Continued work on staff locker and lunchroom during bad weather.

January Photos:



Winter wonderland



Limbing – Limbing - Limbing



More Limbing



Big Limbing



Big Change

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