



To: Tony Zahm, 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 June.

Lincolnshire Fields
Standard Summary Income Statement
For the Eight Months Ending June 30, 2020

Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY	Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget
REVENUES										
34,345	35,900	96%	31,003	111%	60,742	90,787	67%	77,748	78%	245,049
24,684	26,192	94%	21,745	113%	46,961	95,321	49%	77,658	60%	197,565
177	159	111%	154	115%	4,842	3,063	158%	3,048	159%	3,983
0	75	0%	180	0%	0	225	0%	290	0%	525
57,654	114,440	50%	90,572	64%	283,212	527,767	54%	429,238	66%	842,541
131,357	132,805	99%	128,376	104%	1,027,446	1,013,167	101%	978,406	105%	1,534,600
5,050	1,800	316%	1,394	370%	8,800	8,000	85%	8,124	84%	10,000
5,980	7,900	76%	15,581	38%	8,870	18,280	36%	27,178	25%	28,220
2,301	1,111	207%	1,111	207%	12,357	12,757	97%	12,757	97%	21,073
261,508	320,081	82%	288,066	91%	1,449,030	1,769,368	82%	1,614,446	90%	2,884,156
COST OF SALES										
19,547	19,764	99%	17,626	111%	37,637	71,573	53%	59,582	63%	147,200
20,742	47,983	43%	32,829	63%	106,250	194,847	55%	148,087	72%	319,416
40,288	67,747	59%	50,455	80%	143,888	266,421	54%	207,669	69%	466,616
79.3%	75.5%	105.0%	81.1%	97.8%	80.1%	75.1%	106.7%	76.7%	104.5%	74.5%
38.8%	43.1%	90.0%	39.3%	98.8%	42.6%	39.6%	107.5%	40.2%	105.9%	39.7%
COGS - Merchandise %										
COGS - Food %										
PAYROLL										
44,095	45,137	98%	46,174	95%	231,439	262,460	88%	238,150	97%	439,231
12,620	15,101	84%	12,474	101%	55,650	69,748	80%	56,745	98%	125,598
46,197	52,222	88%	53,641	86%	272,384	294,223	93%	288,263	94%	477,859
8,789	19,965	44%	19,265	46%	8,789	29,531	30%	26,305	33%	64,122
24,056	21,604	111%	23,289	103%	175,298	180,589	97%	199,261	88%	270,123
135,757	154,061	88%	154,843	88%	743,559	836,551	88%	808,725	92%	1,376,901
OPERATING EXPENSES										
44,670	40,934	109%	60,242	74%	131,980	160,511	88%	149,824	88%	282,354
2,811	1,731	162%	1,731	162%	14,927	13,847	108%	13,847	108%	23,271
2,032	1,907	107%	381	533%	5,952	6,582	90%	4,997	122%	9,374
10,130	16,931	60%	14,236	71%	68,500	84,535	81%	81,826	84%	138,927
5,658	5,754	98%	3,269	173%	5,928	15,549	38%	11,285	53%	23,299
37,953	44,773	85%	41,962	90%	309,583	350,162	88%	317,591	97%	528,282
103,254	112,030	92%	121,821	85%	536,871	621,217	86%	579,270	93%	1,005,486
279,300	333,838	84%	327,119	85%	1,424,318	1,724,189	83%	1,595,664	89%	2,849,003
(17,792)	(13,756)	129%	(39,053)	46%	24,712	45,179	55%	18,782	132%	35,154
FINANCING ACTIVITY										
(8,265)	(7,495)	84%	(8,809)	92%	(53,645)	(59,960)	89%	(58,975)	91%	(89,940)
(1,450)	(1,083)	135%	(1,769)	82%	(12,155)	(8,664)	140%	(8,897)	137%	(12,996)
28	0	0%	38	75%	182	0	0%	490	37%	0
(7,686)	(8,578)	90%	(8,540)	90%	(65,618)	(68,624)	96%	(67,383)	97%	(102,936)
OTHER INCOME (EXPENSE)										
45,851	46,555	98%	49,398	93%	360,252	361,059	100%	381,872	94%	544,876
(36,036)	(33,873)	106%	(33,372)	108%	(288,287)	(270,984)	106%	(266,978)	108%	(406,476)
0	0	0%	0	0%	9,250	0	0%	0	0%	0
9,815	12,682	77%	16,025	61%	81,215	90,075	90%	114,894	71%	138,400
(15,673)	(9,652)	162%	(31,568)	50%	40,309	66,630	60%	66,294	61%	70,618

Overview:

Modifications to the club's operations continued for the fourth straight month due to the effects of Covid-19 and the modified Executive Orders by the Governor. The clubhouse remained closed for most of the month while adjustments were made throughout the month providing for greater services in Golf, Food and Beverage and the aquatics departments. New guidelines went into effect on June 26th. The management team did a great job adapting to the orders and providing a safe environment for members to enjoy.

The orders revised at the end of May were in place for much of the month. The rules were as follows: one, foursomes at 10-minute increments; two, private and club carts were allowed for single riders only. As a result, we did not have any league or tournament play. Even with these restrictions the club recorded year-over-year growth in rounds played and golf revenues. Late June the orders were once again revised allowing for groups of 50. This provided the club the opportunity to move forward with the adjusted league and tournament schedule.

Food and Beverage continues to be greatly affected by the Executive Orders. Carry out food and beverage service as well as outdoor dining at Stingrays continued to operate. On the 22nd of June, the Governor provided guidance that indoor dining would be permitted starting June 26th. The F&B team quickly jumped into action and opened both the 19th Hole and Dining Room for indoor dining. In addition, the pool could initially operate for lap swimming and moved to full swimming on the 26th. To control overcrowding a reservation system was put into place to allow equitable usage between members. Overall, the club made the best out of a difficult time and rendered the necessary adjustments to ensure best financial outcome.

Financial Performance:

The Management team continued to follow the contingency plans developed on the onset of the pandemic that were designed to minimize the financial impact to the club. At the end of May and throughout June permission was granted to open more of the club amenities. In anticipation staffing levels were increased in all departments to ensure the club would be prepared for the increased demand. The team did its best to effectively and efficiently train the staff while striving to manage payroll expenses. As a result of the extensive opening procedures, the club experienced EBITDA and net income numbers slightly higher than budget. All things considered the management team was able to move forward and have a successful month. The team flexed, managing expenses and payroll to the best of their ability under current circumstances. An EBITDA shortfall to budget of roughly \$4k was recognized for June; however, there was an improvement over prior year by \$21.3k

Revenues:

With the club operating in a greater capacity than originally expected, more revenue was generated than initially forecasted. Still, the significant limitation placed on the operation caused the club to miss overall budgeted revenue by \$58.6k and prior year by only \$26.5k. Year-to-date revenues are down 18% to budget and 10% to prior year. Due to the stringent social distancing order, Food and Beverage felt the brunt of the impact missing budgeted revenues by roughly \$56.8k for the month and prior year by \$32.9k. The shortfall can be contributed to the limited pool access as well as no indoor dining for much of the month. Overall dining patronage was more than initially forecasted in the contingency model, helping to continue to outperform expectations during these unprecedented times. As a result of the limited dining for much of the year, the F&B Department revenues for the year are down 46% to budget and 34% to prior year (Similar to the national average according to Club Benchmarking). With many of the restrictions removed on golf, the department was able to have a solid month with gains in cart fee, green fee, and merchandise revenues. The golf department had \$34.3k in cart and greens fees and an additional \$24.7k in merchandise sales. Pool revenues were \$4.6k for the month with most of the revenues coming from swim team signups and swim lessons. Overall, revenues totaled \$261.5k against a budget of \$320.1k and prior year of \$288.1. The team will continue to monitor revenues and member usage closely in July, making necessary adjustments to finish the year strong.

Payroll:

As operations ramped up, many new employees were onboarded during the month of June. Business continued to increase in all departments creating the need for more staff while golf course maintenance reached full staffing levels, resulting in a significant increase in payroll over prior months. Even with the need for more labor, the team was able to flex on payroll and saved roughly \$18.3k to budget. Admin experienced a slight overage to budget while the F&B department was slightly higher than anticipated in the contingency model. Aquatics (\$10.9k), grounds (\$1K) and golf (\$2.5K) saved to budget. Admin experienced a \$2.5k overage due to commissions from new member sales. We conducted additional training for new hires to ensure the club was prepared for phase 4 of Illinois Reopening Plan resulting in the F&B department to be slightly over the projected forecast; however, they saved \$6k to budget. Overall, the team was able to save 12% to budget and prior while year-to-date savings are 11% to budget and 8% to prior, slightly missing our flow through expectations.

Expenses:

Department Heads did a great job keeping expenses in line with budget. Expenses were under budget by \$8.8k and were under \$18.5k to prior year. The team continued to eliminate all unnecessary expenses and department heads only purchased essentials throughout the month. Food and Beverage provided the greatest saving to budget reducing expenses to plan by roughly \$6.8k. The club continued to experience the savings in variable expenses such as repair maintenance, advertising, utilities, and certain supplies as a result less clubhouse usage. Golf (\$1.2K) and Grounds (\$3.8K) departments both experienced overages in expenses. Golf was over budget due to a small quantity purchase of scorecards and rental carts for an outing, while Grounds department had small overages on the following line items: fertilizer, fuel, sand for topdressing greens, and equipment repairs. As a team, we continued to stockpile hand sanitizer and other PPE items required in case of resurgent number of cases and supplies become limited.

Summary:

Our team will take a hard look at where we can manage payroll and expenses to help us exceed expectations, manage the flow through and ensure we minimize shortfalls due to COVID-19. With less revenues, management is paying close attention to the club cash flow. Currently, there are no urgent issues; however, there will be more of concern if we cannot return to more normal revenue levels in the upcoming months. We are hopeful we will continue to add our standard amenities as we move through July. If that is not the case, we will have contingencies in place to minimize the misses.

Key Performance Highlights:

- Membership Dues Revenue was roughly \$131.4k on a budget of \$132.8K and prior year of \$126.4k.
- Total revenues \$261.5k on budget of \$320.1k and prior year of \$288.1k.
- Payroll was under budget by \$18.3k and under \$19k to prior year for the month of June.
- Expenses were \$8.8K under budget and under \$18.5k to prior year for the month of June.
- COS finished at 79% for merchandise on budget of 76% and prior year of 81% and Food and Beverage will finish at 39% on budget of 43% and prior year of 39%.

Key Performance Issues:

- COVID-19: As the Coronavirus pandemic has spread throughout the country, state restrictions were placed on business operations. As a result, the club has operated in a limited capability from mid-March running through the month of June. Large adjustments to staffing and operations were needed due to the lack of revenues. Fortunately, restrictions continue to be relaxed allowing for greater use of club amenities and providing more financial stability.

Key Actions to Drive Performance:

- Financial & Operation Contingency Plans- In the month of March executive staff with the help of KemperSports developed financial and operational contingency plans to maximize the best potential outcome for the club. We have developed several plans based on different scenarios and timing of social distancing parameters. Staffing and operations plans for all departments have been evaluated and recommendations have been provided and adopted by the Board. The team has successfully analyzed expenses and labor making the necessary reductions to ensuring an outstanding financial month.
- F&B Service- Continued to operate outdoor dining for much of the month. Most weeks dining was sold out Thursday- Saturday. June 26th, we moved to indoor / outdoor dining.
- Pool opened- We were able to open pool for lap swimming and limited sunbathing towards the end of the first full week in June. On June 26th we expanded to full swimming privileges with a limit of 70 people. We have implemented an online booking system providing the membership with three time slots throughout the day. The system has been well received so far and we will be modifying guest policy in the upcoming weeks.
- Golf restrictions continued to be rolled back allowing for greater member access and usage. Rounds were up roughly 700 rounds over prior year.

Membership Status as of 6.30.20: Sara Michael, Membership Director

New Membership Sales

- 2 Equity
- 3 Social

Marketing:

- **Promotions:** Offering Reduced Initiation Fee of \$1000 with \$250 F&B Credit under a 24-month commitment
- **Facebook:** Consistently posting on Facebook. Growing both our Public and Private page we have really expanded our numbers and interactions. Started adding New membership Bios and Created an Album for New Members.
- **Posting and Formatting:** Menu, ToGo Information Emailing menus that are changing and keeping up with any specials.
- **Canva:** Designing and branding what LFCC will look like from here on out. Finished setting up Monthly Newsletter design and weekly updates.
- **Twitter** is set up and working on consistent posting

Member Relations:

- Calling members who have not spent any money at the club on F&B
- Brought Donuts and Coffee to the 1st Hole to talk about referrals
- Consistently going on the pool deck to talk with members
- Setting up Pool signup online and monitoring it. Emailing about questions and concerns
- Working all referrals from members and making sure they know the benefits of that program.
- Working King of Clubs virtually and working on a new concept where you can be there or not. We hit \$1,500 last week in ticket sales.

Other Services:

- Push Notifications are being utilized.
- Membership Spotlight Post
- Working on rewording website and platform wording
- Set Up Google Business Page and utilizing the tools that analysis the website traffic and phone traffic. Continually monitoring this platform

July Expectations:

- Sign up 8 members
- Continue working referrals
- Continuing to make phone calls
- Visiting with the members.
- Getting on the course to have a better grasp of the course and prepare myself to do tours

Wins: I have done several tours the last week and I am excited to see where they all go. I have also been seeing a lot of positive feedback on Social Media. I have built some strong relationships this past month and feel like the membership is appreciative of all the communication. We had a great month with Initiation Fees so I know we will end up ahead of budget for those this year.

Membership Count YTD:

Membership Category	Budget	Current		Budget Adds	Current Adds	Budget Subs	Current SUB
EQUITY	159	155		7	6	6	10
JUNIOR 35	51	43		10	9	6	5
JUNIOR 35-37	21	25		2	3	3	1
JUNIOR 38-39	18	17		4	3	1	0
HONORARY	38	38		0	0	1	2
SOCIAL	99	98		12	9	7	6
DINING	16	16		0	0	1	2
NON-RES	11	11		1	0	0	0
U OF I	4	4					
TOTAL	417	407		12	3	25	26

Golf Department Recap: Rob Walls, Head Golf Professional

In June, the golf course saw 2,701 rounds of golf. In June of 2019 there were 2,076 rounds played. This was the second month in a row where rounds out paced 2019 totals despite no league or tournament play. Interestingly, there were 14 days in June with 96 or more rounds played. This doubles the 7 days in June 2019 where we saw 96 or more rounds. The course has definitely been very busy and the members are getting a lot of usage. The staff expects rounds to continue to trend upward as we get leagues started in July. It seems that with fewer activities (youth sports leagues, vacations, business travel, etc.) the members have made playing their golf course a priority.

The golf department saw cart fee revenue of \$17,368 and greens fees of \$8,732 for the month. These numbers easily outpaced prior year actuals or \$12,448 and \$6,854. Greens fees trailed budget by 6.33% while cart fees were up 17%. Cart rentals reflected the increase in traffic throughout the month. We had the possibility for a more robust month as we had two outings cancelled for June. These events have been rescheduled for later in the fall. With league activities starting in July, a tournament on the schedule and a couple of Monday events, July should be another strong revenue month.

For the month, merchandise sales were \$24.6k versus a budget of \$26k and prior year sales of \$21.6k. Special orders accounted for \$13k of the total sales for the month as we saw the results of our first two Fitting Days of the season. Out-of-inventory sales picked up this month, with 11.5k in revenue. This missed budget by 5%. We started the month slow, but members became more comfortable entering the Golf Shop throughout the month. We did run a sale for Father's Day which led to a significant aged inventory reduction. This sale did hurt our overall cost of goods as we were selling below cost. Cost of goods ran high for the month at 88%. July should be another good month for special order as we have two additional Fitting Days scheduled. We hope the increased traffic on the course leads to additional out-of-inventory sales as well.

Some additional notes regarding golf activity:

- Payroll was down 2.5k to budget as we continued to operate with minimal staffing.
 - o With league play starting in July, we will add payroll hours.
- We started seeing some new inventory arrivals and new merchandise is on the floor.
 - o We will run a 4th of July Golf Shop sale in one more effort to move aged inventory before putting it away until the end of season.
- Junior Golf camp was a great success in June, and we plan to add a second week of camp in July.
- We will host our first outing of the season in mid-July, the Anderson Golf Benefit.
- Evening Leagues start the first week of July. Play will be held on Monday, Tuesday, Wednesday & Thursday evenings.
- First member event of the season is the Member Member scheduled for July 18 & 19

Looking forward to a strong month of July. We hope everyone stays safe and healthy!

Grounds Recap: Scott Werner, Superintendent

Golf returned much closer to normal with 4-somes, regular tee time intervals, and happier members during June. While Covid is still affecting a few things on the course and with general operations, the grounds department is now operating more normally. I would again applaud my staff throughout this unusual period, as they have performed above and beyond the normal call of duty to the members of LFCC.

Grounds notes for June:

Our staffing numbers have returned very close to normal levels for this time of year. We are operating a couple part-time weekend staffers short but continue to try to fill these positions. Course maintenance is also close to normal. Mowing and maintenance schedules and detail work are pretty much caught up after our slow start in April and May. Member feedback has been very positive regarding course conditions throughout the spring/early summer. After reduced spending in April/May due to Covid effects, June expenses should return closer to budget, although I have not yet seen a final financial report.

Grounds projects during June:

- Performed scheduled application of herbicides for broadleaf weeds and crabgrass on tees and fairways.
- Performed scheduled monthly wetting agent applications to all greens, tees, and fairways.
- Performed scheduled bi-weekly fungicide applications to all tees, greens, fairways, and practice range.
- Performed scheduled bi-weekly fungicide applications to all intermediate rough and putting green surrounds.
- Performed much backpack spraying of non-selective herbicides in landscape areas and all over the clubhouse grounds and course.
- Completed slow release fertilizer applications to all tees, fairways, and practice range.
- Performed restoration of bunkers several times after rain events.
- Performed weed control in all bunkers.
- Continued regular scheduled edging of fairway yardage markers and tee plates.
- Completed initial edging of all sprinklers.
- Continued scheduled string trimming around trees, lakes, ponds, and other areas.
- Performed selective weed removal along creek banks.
- Continued cleanup and pruning of landscape beds, with some mulch installation.
- Performed pruning/limbing-up of many course and club area trees.
- Repaired one irrigation leak with help from an irrigation contractor.
- Repaired several sprinklers and performed adjustment of many part-circle sprinklers on course.
- Completed pickup and installation of reduced number of annual flowers around club and course areas.
- Completed repair of allen block planter at stingrays from winter freeze damage.
- Performed regular leaf and debris cleanup in clubhouse areas.

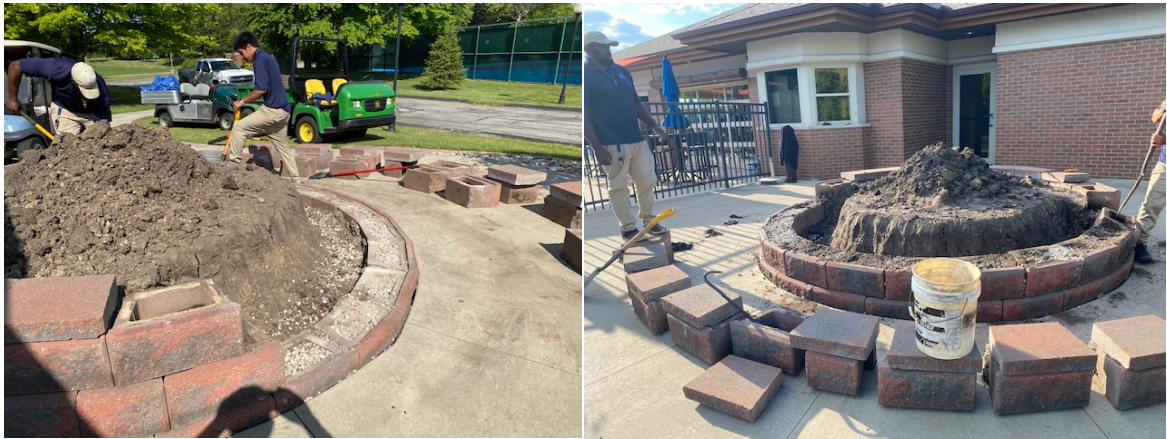
June Photos:



Exhausted assistant during irrigation repair project



After a wet start in spring – things dry out in a hurry in central Illinois



Stingray planter repair project in progress



Course wildlife – same spot 2 different days

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