



To: Tony Zahm, President LFCC
From: Justin Waffle
CC: Board of Directors, Dean Lytton
Re: Lincolnshire Fields Country Club

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

Lincolnshire Fields
 Standard Summary Income Statement
 For the Five Months Ending March 31, 2020

Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY	Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget
REVENUES										
129	1,545	8%	291	44%	494	3,445	14%	1,170	42%	245,549
1,036	4,276	24%	3,277	32%	10,940	24,618	44%	12,305	89%	197,555
2,305	120	1921%	120	1921%	4,655	1,321	353%	1,318	354%	3,983
0	0	0%	0	0%	0	0	0%	0	0%	525
29,921	53,839	56%	42,571	79%	182,561	261,916	70%	217,378	84%	842,541
129,712	124,996	104%	117,360	111%	635,942	624,098	102%	602,744	106%	1,534,600
750	1,600	47%	0	0%	750	3,200	23%	2,070	36%	10,000
0	40	0%	0	0%	0	200	0%	1,617	0%	28,220
563	1,123	50%	1,123	50%	5,855	7,913	74%	7,913	74%	21,073
164,415	187,539	88%	164,742	100%	841,206	926,711	91%	846,515	99%	2,884,156
COST OF SALES										
406	2,717	15%	1,611	25%	8,889	18,981	47%	9,914	90%	147,200
9,450	19,076	50%	12,748	74%	67,384	90,929	74%	61,432	110%	319,416
9,856	21,793	45%	14,359	68%	76,274	109,909	69%	71,347	107%	466,616
39.2%	63.5%	61.5%	48.2%	79.7%	81.3%	77.1%	105.4%	80.6%	100.8%	74.5%
50.5%	42.9%	117.7%	40.6%	124.4%	43.3%	39.7%	109.0%	36.4%	118.8%	39.7%
PAYROLL										
25,372	28,521	89%	24,466	104%	127,446	129,915	98%	112,397	113%	439,231
5,630	7,117	79%	5,373	105%	26,675	30,675	87%	25,192	106%	125,566
31,613	30,736	103%	32,739	97%	170,876	162,716	105%	153,702	111%	477,859
0	0	0%	0	0%	0	0	0%	0	0%	64,122
25,280	22,215	114%	25,431	99%	110,859	112,665	98%	124,435	89%	270,123
87,896	88,588	99%	88,010	100%	435,857	435,990	100%	415,726	105%	1,376,901
OPERATING EXPENSES										
9,860	7,445	132%	6,913	143%	30,675	27,650	111%	32,674	93%	282,354
1,731	1,731	100%	1,731	100%	8,655	8,655	100%	8,655	100%	23,271
1,528	918	166%	618	247%	3,366	2,269	148%	2,217	152%	9,374
6,987	9,070	77%	9,310	75%	42,558	41,003	104%	41,208	103%	138,927
56	740	8%	704	8%	30	1,110	3%	58	53%	23,299
40,056	41,590	96%	37,472	107%	208,398	217,515	96%	198,616	105%	528,262
60,218	61,484	98%	56,747	106%	293,682	298,201	98%	283,627	104%	1,005,486
157,980	171,875	92%	159,116	99%	805,813	844,101	95%	770,700	105%	2,849,003
6,436	15,664	41%	5,626	114%	35,394	82,610	43%	75,815	47%	35,154
FINANCING ACTIVITY										
(6,410)	(7,495)	86%	(6,139)	104%	(35,094)	(37,475)	94%	(37,909)	93%	(89,940)
(1,500)	(1,083)	139%	(883)	170%	(7,804)	(5,415)	144%	(4,440)	176%	(12,996)
21	0	0%	47	45%	105	0	0%	311	34%	0
(7,889)	(8,578)	92%	(6,975)	113%	(42,793)	(42,890)	100%	(42,038)	102%	(102,936)
OTHER INCOME (EXPENSE)										
45,431	44,749	102%	45,708	99%	224,386	223,550	100%	229,607	98%	544,876
(35,662)	(33,873)	105%	(33,372)	107%	(179,806)	(169,365)	106%	(166,861)	106%	(406,476)
6,000	0	0%	0	0%	6,000	0	0%	0	0%	0
15,769	10,876	145%	12,336	128%	50,580	54,185	93%	62,746	81%	138,400
14,316	17,962	80%	10,987	130%	43,180	93,905	46%	96,524	45%	70,618

Overview:

The club experienced its most unique month in the history of the club, dealing with COVID-19, a national virus pandemic. There were two weeks of normal operations before the country began instituting social distancing parameters affecting all departments of the club. Before the social distancing restrictions were put into place, we had a successful Host with the Most and St. Patrick's Day party. The week of the 16th the club moved the food and beverage operation to a curbside takeout service for members only, continuing through March 24th adhering to Governors executive order. Further constraints were placed on the golf course restricting play on Thursday, March 26th. As a result, operations were affected significantly preventing the club from meeting budget; however, there was growth over prior year.

Financial Performance:

Revenues:

Even with closures to the restaurant and golf course, additional membership sales continued to grow through the first five months of the year. Over the past several years on average we typically see roughly ten new memberships through the month of March. Sara has been able to obtain twenty-five new members YTD and has several more pending. The membership dues line continues to outperform budget (\$5k over budget)/ prior year (\$12k over prior year) and shows no signs of stopping. In addition, we've increased the club's initiation fees and are analyzing the impact of another increase for April. Even with the adversity placed on us by COVID-19, membership sales and interest have not slowed down resulting in large potential gains in this department by year end.

Reduced usage, due to COVID-19, has caused the club to miss the overall revenue budget by 12% for the month of March and is currently down 9% for the year. Due to the stringent social distancing orders and restricted operational constraints, both Food and Beverage and golf faced deficits to budget. F&B missed the department's budget by roughly \$24k in March and is down YTD by \$79k. The department had great success with curbside service that was offered for six days, averaging roughly \$1.1k per day. The Golf Department also struggled to hit budget as result of social distancing parameters. Most of the golf revenue was generated by shipping charges and merchandise sales early in the month. The department had a shortfall to budget by roughly \$2.4k. Overall, revenues totaled \$164.4k on a budget of 187.2 and prior year of \$164.7k. YTD revenues are down 12% to budget with much of the shortfall coming from Food & Beverage a la carte sales and a small portion to golf merchandise.

Payroll:

Payroll is flat for March and year to date. As expected, the Admin department was slightly over due to the commission payout for the increase in membership sales. All other departments were flat or below budget for March. During this portion of time, the club provided curbside food service and able to take advantage of the downtime using a few of our staffers for needed maintenance around the club. Due to the current restrictions placed on the club, we are looking into methods where we can provide additional savings to ensure a better flow through to the bottom line.

Expenses:

Expenses were under budget but slightly over prior year. The majority of savings came from the F&B department providing a \$2k savings. Orders for supplies to prepare our seasonal outlets were put on hold. The grounds department was over by roughly \$2.4k due to repairs to equipment and performing chemical applications ahead of schedule. Golf was also over slightly due shipping charges to transport members clubs. Similar to payroll we are developing strategies to ensure better flow through to the bottom line for next couple months.

Cost of sales were as projected for the Golf Departments and continue to be on pace for the year. Food and Beverage experienced higher than anticipated cost of sales due to the operational shutdown. Perishable food product was donated to local food shelters but caused the COS to be roughly 7 points higher than budget.

Summary:

Overall, the club has some work to do catch up to budgeted EBITDA as we are down roughly 57% to budget YTD and will face a steep uphill battle placed on us by this pandemic. As a result of COVID-19 the club's financial position for the next couple of months remains uncertain. We've developed several contingency plans to address the possible situations placed on the club due to the "shelter in place" order. We are hopeful that memberships and outings will help to make up ground throughout the year. The team will take a hard look at where we can manage payroll and expense to help us exceed expectations, manage the flow through and ensure we minimize shortfalls due to COVID-19.

Key Performance Highlights:

- Membership Dues Revenue was roughly \$129.7k on a budget of \$125K and prior year of \$117.4k.
- Total revenues \$164.4k on budget of \$187.5k and prior year of \$164.8k.
- Payroll was under budget by \$700 and under \$100 to prior year for the month of March.
- Expenses \$1.3K under budget and over \$3.5k to prior year for the month of March.
- COS finished at 39% for merchandise on budget of 64% and prior year of 49% and Food and Beverage will finish at 50% on budget of 43% and prior year of 40%.

Key Performance Issues:

- COVID-19: As the Coronavirus pandemic spread throughout the country, state restrictions were placed on business operations. As a result, the club has operated in a limited capability for most of the month of March and will continue into April. Large adjustments to staffing and operations were needed.

Key Actions to Drive Performance:

- Contingency Operation Plans- The last two weeks executive staff with the help of KemperSports has been developing contingency plans to maximize the best potential outcome for the club. We've developed several plans based on different scenarios and timing of social distancing parameters. Staffing, F&B operation and golf operations have been evaluated and recommendation have been provided to the Board.
- Membership: The team has focused on ways to engage the membership. Over the past few weeks Sara, Membership Director, has been calling to check up on members. During those call we are updating membership files and preferences with food and beverages. The team has also developed videos to engage the members with highlight on golf training, drink mixology and food preparation. Lastly, we held a successful virtual King of Club and look forward to bringing that back in April while we offer curbside food service.
- Curbside F&B Service- Once the club was forced to close, we transitioned to curbside pickup dining for the members. The service was very successful averaging roughly \$1.1k per night. We look forward to bringing the service back on April 8th.

Membership Count YTD:

	Budgeted	Current		Budgeted Adds	Current Adds	Budgeted Subs	Current Subs	Dues Add / Lost
Membership Category								
Equity	155	154		3	4	5	8	
Junior 35	45	48		2	11	4	5	
Junior 35-37	19	22		1	1	2	1	
Junior 38-39	16	16		2	2	0	0	
Honorary	38	37		0	0	1	2	
Social	84	91		3	6	7	6	
Dining	16	16		0	1	1	2	
Non Res	11	10		1	0	1	1	
U of I	4	4						
Total	390	398		12	25	21	25	

Membership Status as of 3.30.20: Sara Michael, Membership Director

Sales:

- **New Membership**
 - 5 Jr
 - 1 Social

Marketing:

- **Promotions:** continuing to partner with Realtors and Promote the Club
- **Facebook:** Consistently posting on Facebook. Working on inviting people to join both groups. Creating events and building content.
- **Posting and Formatting: Menu and ToGo Information**
- **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:

- I'm calling 25 members a day and introducing myself and seeing if they need anything. I am also asking for any extra info
- Started Member Spotlight in Newsletter and working on a Board
- Posting Videos of staff and posting interactive things on Facebook.
- Working on the referral program and following up with all member leads

Other Services:

- Working on the App
- Push Notifications
- Membership Spotlight Post
- Promote member events

April Expectations:

- Sign up 5 members
- Continued working referrals
- Continuing to make phone calls
- Refresh our website

Still working on this, I am going to have to reformat all of the current content and zip the files so we can have more media storage on the webpage*

- I will be making some porch visits with a little treat for members and potential members.
- Will continue to call members
- Working with Chef to change menu and keep members updated.

Wins: We are currently featured in several houses that are listed in the area as an amenity of the neighborhood. I have made a lot of progress with the realtors in this area to focus on growing the club and getting our information out in the neighborhoods! We have still been able to get members during this time and I have a strong pipeline that I am building.

Golf Report: Rob Walls, Head Golf Professional

In March, the course saw 29 rounds of golf before we stopped tracking due to the Covid-19 pandemic and Governor's "Stay at Home" order. There was definitely play during the last 10 days of the month, with an estimated 90 rounds on Wednesday, May 25. The Golf Shop was not open, and we were not tracking play that day.

The golf department saw cart fee revenue of \$114 and greens fees of \$15 for the month. This fell far short of budgeted revenue goals. The weather did not turn until the end of the month. At that point, the club had ceased operation. The 2020 revenue numbers were actually fairly consistent with March '19 numbers because we had very poor weather all last spring.

For the month, merchandise sales were \$1,035 versus a budget of \$3,300. We had no special-order sales versus a large special-order month in 2019. The clubhouse closure and uncertainty prior to the closure resulted in a lack of traffic through the Golf Shop and hurt sales. Cost of goods was at 40%. As discussed last month, many of our large spring orders are received with an early pay discount that the clubs takes advantage of. These discounts are not accounted for when items are placed in inventory which allowed for some extra margin to be found. We did receive some spring merchandise, but a large majority of our ordering was placed on hold or cancelled as soon as the Governor's order was received. These are uncertain times. We hope to be open and operation starting in May, but April is a lost month.

Some additional notes regarding golf activity:

- Our Assistant Professional is due to start on Wednesday, April 15.
- We are currently working on creative promotions that will allow us to generate some merchandise revenue in April.
- A freeze on all hiring is in effect for additional hourly staff.
- Contingency plans for league and tournaments are being formulated. We hope to have more definitive plans by mid-April when we get a better feel for the landscape and what will be allowed upon re-open.

Better days are ahead. We hope everyone stays safe and healthy!

Grounds Recap: Scott Werner, Superintendent

The month of March proved to be quite unusual. After opening the course for play early in the month, coronavirus forced a shutdown later in the month. Obviously a strange and unprecedented situation for the golf world! March expenses were very close to budget and going forward we will be saving money wherever we can to compensate for expected revenue losses from the virus and shutdown.

Grounds notes for March:

Course cleanup was the biggest project in March, as we had debris from 20 removed trees to haul off, as well as all the normal spring brush and debris cleanup. Downed trees were removed, and normal brush cleanup is well underway. Initial rolling and mowing of playing surfaces also took place during the month.

Grounds projects during March:

- Performed regular leaf and debris cleanup in clubhouse areas.
- Continued cleaning, preventative maintenance, repair, and sharpening of mowing equipment.
- Performed initial test and adjustment of mowing equipment as needed.
- Performed several snow and ice removals during the month.
- Hauled logs, brush, and debris from 20 downed trees around course.
- Hauled brush and debris from all over golf course from offseason accumulation.
- Rolled putting greens several times to firm surface from winter freeze/thaw cycles.
- Rolled all tees and fairways as above.
- Performed initial mowing of greens, tees, fairways, and intermediate rough.
- Installed 2nd tennis net and performed cleanup of tennis court area.
- Completed annual mowing of no-mow areas on course.

March photos:



Good Start to Month and Bad Finish



Earl on the Job



First roll and Mow of Greens

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