

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

Overview:

May provided a strong start to the third quarter with the club finishing ahead of budgeted EBITDA by roughly \$27k. Revenues were solid across the property with the dues line recovering, initiation fees finishing ahead of budget for the first time this year, and strong Food & Beverage totals. Revenues in F&B outpaced budget by 19% and prior year actuals by 25%. Total revenues finished 2% (\$6k) ahead of budget. The increase in traffic led to additional payroll, but OPEX finished down roughly \$11k to budget for the month.

Lincolnshire Fields
 Standard Summary Income Statement
 For the Seven Months Ending May 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											
31,321	35,220	89%	34,187	92%	55,898	71,841	78%	71,020	79%	283,871	275,765
15,370	30,500	50%	31,450	49%	48,988	77,400	61%	74,482	63%	212,300	195,163
0	0	0%	5	0%	1,102	0	0%	2,503	44%	0	6,500
0	0	0%	60	0%	0	0	0%	80	0%	0	185
95,313	80,180	119%	78,482	126%	342,886	318,576	108%	258,893	139%	763,236	803,518
146,241	147,546	99%	137,948	106%	998,966	1,007,366	99%	920,138	105%	1,746,301	1,880,293
37,000	26,000	142%	25,000	145%	70,600	102,000	69%	74,600	95%	127,000	108,600
1,040	750	139%	760	137%	4,590	750	612%	4,160	110%	23,800	28,316
(222)	0	0%	62	-35%	486	0	0%	(544)	-88%	0	9,203
326,062	320,196	102%	306,463	106%	1,609,665	1,677,724	96%	1,405,131	107%	3,156,307	3,105,672
COST OF SALES											
9,218	25,010	37%	28,323	35%	34,628	58,794	59%	58,263	59%	187,528	138,839
34,589	25,977	108%	30,808	113%	130,145	129,814	100%	87,268	134%	299,978	291,362
43,807	56,987	77%	59,933	77%	164,771	188,607	87%	156,531	105%	461,500	431,201
60.0%	82.0%	73.1%	83.7%	71.7%	73.7%	75.9%	97.1%	79.6%	92.7%	76.6%	900.0%
36.4%	39.9%	91.3%	40.0%	91.0%	41.1%	40.8%	100.8%	40.3%	102.0%	39.2%	498.3%
PAYROLL											
50,782	53,866	94%	41,738	122%	232,950	253,975	92%	219,701	109%	518,260	483,744
12,362	16,315	76%	13,465	92%	57,218	78,586	73%	71,582	80%	185,838	132,288
61,775	49,397	125%	47,570	130%	308,780	292,665	106%	229,756	134%	577,048	594,033
4,334	7,343	63%	7,230	60%	4,380	5,267	83%	7,515	58%	75,081	69,216
23,849	23,471	102%	20,658	115%	115,828	148,280	78%	147,168	79%	250,438	220,525
153,101	160,092	102%	130,660	117%	718,264	781,733	92%	675,723	106%	1,586,459	1,478,616
OPERATING EXPENSES											
53,713	55,735	96%	47,151	114%	110,269	121,493	91%	112,420	99%	294,791	294,237
1,731	4,631	38%	1,731	100%	12,116	14,917	81%	12,116	100%	28,582	28,100
29	650	4%	(513)	-6%	4,802	5,305	91%	8,945	96%	10,160	9,905
12,865	11,282	114%	9,251	139%	63,913	54,378	118%	44,487	144%	109,198	113,426
4,832	6,050	77%	6,137	70%	9,082	6,145	112%	7,127	127%	23,149	24,481
45,233	50,802	89%	48,826	93%	323,818	353,283	92%	282,481	111%	823,731	805,713
118,202	129,030	92%	112,583	105%	623,888	657,596	94%	475,686	110%	1,087,690	1,075,882
315,191	336,110	94%	300,176	105%	1,407,933	1,628,028	92%	1,307,840	108%	3,135,589	2,985,879
10,872	(15,914)	-68%	6,278	173%	101,632	49,696	205%	97,291	104%	20,718	119,893
FINANCING ACTIVITY											
(5,185)	(9,575)	54%	(5,118)	101%	(36,598)	(67,025)	55%	(39,889)	92%	(114,900)	(64,088)
(1,114)	0	0%	(1,406)	79%	(8,805)	0	0%	(11,017)	81%	0	(18,211)
202	0	0%	72	290%	677	0	0%	341	189%	0	533
(6,098)	(9,575)	64%	(6,452)	95%	(44,826)	(67,025)	67%	(60,566)	89%	(114,900)	(61,350)
OTHER INCOME (EXPENSE)											
47,835	48,319	99%	44,864	106%	325,641	330,239	99%	308,864	105%	572,348	558,540
0	0	0%	0	0%	0	0	0%	106,882	0%	0	0
(34,095)	(36,217)	94%	(34,492)	99%	(238,894)	(248,343)	96%	(241,442)	99%	(428,428)	(429,937)
0	0	0%	0	0%	8,870	0	0%	0	0%	0	3,170
(2,384)	0	0%	0	0%	(4,904)	0	0%	0	0%	0	15,888
11,166	12,102	92%	10,372	108%	88,743	81,896	108%	174,104	61%	142,920	152,460
15,930	(13,387)	-119%	10,198	156%	145,549	64,566	225%	220,830	66%	48,738	190,793
148	220	67%	218	68%	251	475	53%	474	53%	2,986	2,406
1,807	2,375	84%	2,272	84%	3,428	4,825	71%	4,772	72%	15,810	12,986
0	0	0%	0	0%	4	0	0%	14	29%	0	19
2,055	2,485	83%	2,481	82%	3,681	5,300	69%	5,260	70%	18,186	15,421
2,203	1,455	151%	1,389	157%	8,014	3,322	191%	2,984	203%	1,323	44,236
159	129	124%	123	129%	410	288	139%	267	144%	173	3,809
212	160	132%	156	136%	223	151	148%	150	119%	119	1,572
15	14	109%	14	111%	15	14	112%	14	112%	16	159
46	32	144%	31	151%	93	60	155%	48	189%	42	1,007
7	12	61%	13	59%	13	15	87%	14	90%	12	167

Financial Performance:
Revenues:

May revenues finished at \$326k versus a budget of \$320.2k and prior year actuals of \$306.5k. June was a good sales month with 14 membership additions and one resignation. For the first time in 2022, initiation fees outpaced the budget, finishing at \$37k versus an expectation of \$26k. The dues line jumped significantly with new member adds in March & April being billed for the first time. Dues were \$146.2k versus a budget of \$147.5k, a miss of 1%. The club should see a dues line ahead of budget for the first time in June.

For the year, dues now trail the budget by roughly \$20k. With new membership additions in May and June, we will start to narrow this gap. Interest continues to be strong, but conversion will slow, with no Social memberships available and summer in full swing.

Food & Beverage revenues remained strong. The club saw \$95.3k in total sales, beating the \$80.2k budgeted, and outpacing 2021 actuals by \$18.8k (25%). Mother's Day was a great event with over 300 members served. Memorial Day was a hit at the pool and an excellent way to kick off the season. Stingrays is open fully for the first time since 2019, and there has been great feedback on the food coming out of the kitchen.

Golf continued to struggle on the revenue side. There were a total of 2055 rounds played in May versus 2491 in 2021, down 17.5%. There are signs that the Covid bump is beginning to wear off. Cart fees finished the month \$2k below the \$25k budgeted. Guest fee revenues were \$8.2k on a budget of \$10.1k.

Merchandise sales are trending significantly behind both budget and prior year. We have had difficulty getting new products in, and both out-of-inventory and special orders finished May behind budget. Special order revenues continue to lag as we wait for products to arrive. We have not been as successful in driving fitting day participation in years past. This can be attributed to the change in Golf Shop personnel and changing spending habits. Year-to-date, merchandise sales are at \$47k versus \$77.4k budgeted and prior year actuals of \$74.5k. I will continue to work with Matt to drive revenues through the Golf Shop.

For the fiscal year, total revenues are now trailing budget by \$68k (4%) while outpacing the prior year by \$105k (7%).

Payroll:

Payroll was slightly over budget in May finishing the month at \$153k on a budget of \$150k. Increased revenues in Food & Beverage coupled with full operations in both the Clubhouse and at Stingrays led to a large Food & Beverage payroll miss. Departments across the rest of the property provided savings to mitigate the overall miss.

Food & Beverage operated over budget with a total payroll of \$61.8.5k on a budget of \$42.3k. Revenues were significantly ahead of budget, the team was fully operational in both the Clubhouse and at Stingrays, and the Food & Beverage team has taken on cleaning the building after eliminating our contract cleaning service. As traffic has increased, the team has seen an increase in staff attrition. We are still training and growing on the Front of House service side. Training is a priority, but our managers have been getting pulled into service due to call-offs and lack of availability. We will continue to hire in June. For the fiscal year, the total payroll in F&B is now 6% above budget at \$308.8k versus a budgeted \$292.7k.

Course & Grounds payroll provided modest savings of \$3k for the month. Aquatics payroll was down 19% versus budget. Golf payroll continues to provide monthly savings with the shuffle of management staff, but hourly wages are within expectation. Administration payroll was flat to budget. Stephanie Carver was rewarded with a promotion to Officer Manager in May, Lauren Kuleck's salary is in this department, and commissions for membership sales outpaced the budget for the first time this year. The department is \$30k under budget for the year.

For the fiscal year, the club is 8% below budgeted payroll, saving approximately \$62.5k. May was our first month of full operation with all facilities open. We will continue to operate efficiently throughout the property and are looking forward to an exciting month of June.

Expenses:

OPEX provided savings in May, finishing the month at \$118k versus a budget of \$129k.

Course & Grounds finished under budget, spending \$53.7k versus a budget of \$55.7k. These savings came despite a large (\$10k) seasonal pesticide application being pushed to May after a wet April. The department saw \$4k savings from our annual flower planting. There were large artificial savings due to a missed fertilizer application. This \$8k application will be applied in early June and will be reflected in the June expense number.

Expenses ran high versus budget on the Food & Beverage again in May. Staff uniforms were not budgeted, but the expense was in-line with the prior year. Stingrays had some coolers and fans that needed repair which caused an overage of \$1,600. Total OPEX were \$12.8k versus a budget of \$11.2k.

We are still seeing 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. The club started advertising in May with Advantage Marketing, but the services are not fully running. We got the Facebook marketing started in May, but the service started late in the month, and we were not billed. The full marketing budget will be realized in June. Our annual range ball shipment was scheduled for May. It has been pushed back a couple of months and should hit the expense line in July. Computer maintenance expenses were high this month. We had our tech support team to the facility to help us get Stingrays running. In addition, CLA had an accountant change, and we had to get her set up for remote access.

Cost of Goods in Golf was 60% which brings out TYD total below budgeted expectation. Despite the large revenue miss in Merchandise, the club's net income in May from sales was even to budget because of these savings. After a few poor months of COGS, it was nice to see this number balance.

After a scare last month, Beverage COGS% was back to expectation finishing the month at 34.4%. Food COGS% was 37.77% on a budget of 43%. Adam has done a great job of managing inventory and pricing during these times of fluctuation.

Summary:

The club bounced back after a couple of poor months versus budget. Total revenues exceeded budget driven by strong overall Food & Beverage and membership numbers. Payroll ran 2% over budget, but OPEX contributed to the rebound, providing \$11k savings. For the year, EBITDA is \$101.6k on a budget of \$49.7k.

There is still strong interest in the club, and June has the potential to be another strong membership month. Food & Beverage continues to grow. We hope that golf revenues pick up after a slow start to the season.

Key Performance Highlights:

- Total revenues \$326k on budget of \$320.2k and prior year of \$306.4k.
- Dues finished at \$146.2k on a budget of \$147.5k, a miss of 1%. The dues line is currently \$8.3k higher than prior year.
 - Members added in March & April received deferred dues. The dues line saw an increase of roughly \$8k in May as these new member dues are realized.
 - Membership sales success will continue to be important in May & June as we need to start making up ground with our YTD totals lagging.
 - Fourteen members were added in May.
- Payroll was over budget by \$3k in May.
- OPEX finished at \$118.2k versus a budget of \$129k.
- COGS finished at 59.98% for merchandise on budget of 82% and prior year of 83.7% and Food and Beverage finished at 36.42% on budget of 39.88% and prior year of 40.02%.
- Food & Beverage revenues were up 25% versus the prior year.
- Mother's Day was a success with over 300 members served.
- Memorial Day was a great kick-off to the season with a packed pool deck and a lot of happy members.

Key Performance Issues:

- Payroll was high in Food & Beverage.
 - Fully operational in Clubhouse & Stingrays.
 - 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.
 - We are trying to match glassware, lightbulbs, silverware, etc.
 - Scott has communicated the need for equipment repair and maintenance given the delay in receiving new equipment from manufacturers.
 - A large pipe leak outside the building was fixed in May.
 - This project will include replacing the rusted-out shutoff valves in the building.

Key Actions to Drive Performance:

- League programming is in full swing.
- Turn station for weekend play has been a success.
- Golf has ten golf outings confirmed on the schedule.
 - Two outings in June
 - Champaign County Chamber of Commerce on Thursday, June 2nd
 - Don Moyer Boys & Girls Club on Monday, June 20th
- Member-Member event is first “major” event in June.
- Member-Guest Invitational is full with a waiting list.
- The downstairs entryway renovation is nearing completion.
- Grounds has seen great results from improved water management techniques.
 - Course is playing firm and fast
- New signage for clubhouse and grounds initiated with estimated completion in June or July.
- New club app is being explored through iMobile.
 - Added amenity for the membership.
- Parking lot potholes, cracking, and striping work has begun and will be completed in June.

Membership Update:

Current Membership Numbers: 431 Total

Equity	163
Junior	97
Under 35	36
35-37	44
38-39	17
Social	110
Honorary	38
Honorary Social	3
Dining	12
Non-Resident	8

Membership Additions – We have added 42 memberships on a budget of 42 for the fiscal year.

Membership Attrition – We have seen attrition of 27 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

RESIGNED MEMBERS	MEMBERSHIP TYPE	MEMBER #	DATE RESIGN	OFF THE SYSTEM	REMARKS
CINDY WARREN	NON-RESIDENT	5800	Jan-22	1/25/2022	DECIDED NOT TO RENEW
BEN RODRIGUEZ	NON-RESIDENT	4748	Jan-22	1/25/2022	DECIDED NOT TO RENEW
JOE BENIACH	EQUITY	1208	Nov-21	1/25/2022	NO REASON GIVEN
PAMELA QUINLAN	SOCIAL	52109	Nov-21	1/25/2022	NOT ENOUGH USAGE
MARK WOLTERS	SOCIAL	51813	Oct-21	1/25/2022	MOVED TO MAHOMET
ALEX ZHONG	JUNIOR	62107	Nov-21	1/25/2022	MOVED OUT OF STATE
MIKE BROEREN	EQUITY	21181	Dec-21	2/25/2022	NO REASON GIVEN
MICHAEL KEHL	JUNIOR	3084	Dec-21	2/25/2022	NOT ENOUGH USAGE
MBU MONGWA	SOCIAL	41804	Nov-21	2/25/2022	NO REASON GIVEN
PAUL PARK	SOCIAL	62102	Nov-21	2/25/2022	MOVED OUT OF STATE
PETER SCHMIDT	EQUITY	4865	Nov-21	2/25/2022	DOWNSIZING
JOSHUA USSIRI	JUNIOR	8000	Dec-21	2/25/2022	MOVED OUT OF STATE
SAM MCGREW	DINING	3742	Dec-21	3/25/2022	NO REASON GIVEN
MARCI SMITH	SOCIAL	41804	Dec-21	3/25/2022	NOT ENOUGH USAGE
ROD ARENDS	EQUITY	1057	Dec-21	3/25/2022	NO REASON GIVEN
SHAWN KINKADE	JUNIOR	12004	Jan-22	4/25/2022	NO REASON GIVEN
CLIFF SCHWARTZ	DINING	4898	Jan-22	4/25/2022	HEALTH ISSUES
MICHAEL PORTER	JUNIOR	92001	Feb-22	5/25/2022	MOVING OUT OF STATE