



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 November.

Lincolnshire Fields
 Standard Summary Income Statement
 For the Month Ending November 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											
8,646	760	1138%	317	2727%	Green Fees & Cart Fees	8,646	760	1138%	317	2727%	250,876
6,588	1,956	337%	2,316	284%	Merchandise	6,588	1,956	337%	2,316	284%	177,741
1,189	500	238%	1,054	113%	Other Pro Shop	1,189	500	238%	1,054	113%	4,500
0	0	0%	0	0%	Range	0	0	0%	0	0%	0
29,415	36,997	80%	39,130	75%	Food and Beverage	29,415	36,997	80%	39,130	75%	792,592
129,739	126,614	102%	127,674	102%	Membership Dues	129,739	126,614	102%	127,674	102%	1,562,018
800	0	0%	0	0%	Membership Initiation Fees	800	0	0%	0	0%	77,000
0	0	0%	0	0%	Other Operating Revenues	0	0	0%	0	0%	27,500
637	303	210%	303	210%	Other G&A Income	637	303	210%	303	210%	17,489
177,013	167,330	106%	170,794	104%	TOTAL REVENUE	177,013	167,330	106%	170,794	104%	2,908,717
COST OF SALES											
4,910	1,467	335%	1,570	313%	Merchandise	4,910	1,467	335%	1,570	313%	131,715
10,876	14,036	77%	14,369	76%	Food & Beverage	10,876	14,036	77%	14,369	76%	296,090
15,786	15,503	102%	15,939	99%	TOTAL COGS	15,786	15,503	102%	15,939	99%	427,806
74.5%	75.0%	99.4%	67.8%	109.9%	COGS - Merchandise %	74.5%	75.0%	99.4%	67.8%	109.9%	74.1%
40.0%	40.0%	100.1%	38.8%	103.1%	COGS - Food %	40.0%	40.0%	100.1%	38.8%	103.1%	40.2%
PAYROLL											
33,485	31,516	106%	25,807	130%	Course and Grounds	33,485	31,516	106%	25,807	130%	461,626
9,062	8,574	106%	5,489	165%	Pro Shop	9,062	8,574	106%	5,489	165%	145,239
31,814	34,503	92%	33,523	95%	Food and Beverage	31,814	34,503	92%	33,523	95%	524,916
0	0	0%	0	0%	Other Operating Departments	0	0	0%	0	0%	66,286
23,238	23,646	98%	18,363	127%	General and Administrative	23,238	23,646	98%	18,363	127%	299,084
97,599	98,239	99%	83,182	117%	TOTAL PAYROLL	97,599	98,239	99%	83,182	117%	1,497,152
OPERATING EXPENSES											
9,981	5,031	198%	4,499	222%	Course and Grounds	9,981	5,031	198%	4,499	222%	281,354
1,731	1,731	100%	1,731	100%	Carts, Range, Starters, Etc.	1,731	1,731	100%	1,731	100%	23,272
1,306	522	250%	275	474%	Pro Shop	1,306	522	250%	275	474%	10,095
4,440	9,007	49%	8,920	50%	Food and Beverage	4,440	9,007	49%	8,920	50%	124,364
(544)	75	-726%	(195)	279%	Other Operating Departments	(544)	75	-726%	(195)	279%	22,369
36,284	41,468	87%	38,567	94%	General and Administrative	36,284	41,468	87%	38,567	94%	523,219
53,199	57,835	92%	53,797	99%	TOTAL OPERATING EXPENSES	53,199	57,835	92%	53,797	99%	984,703
166,583	171,576	97%	152,918	109%	TOTAL EXPENSES	166,583	171,576	97%	152,918	109%	2,909,660
10,430	(4,247)	-246%	17,876	58%	EBITDA	10,430	(4,247)	-246%	17,876	58%	57
FINANCING ACTIVITY											
(6,372)	(9,248)	69%	(7,627)	84%	Interest Expense - Debt	(6,372)	(9,248)	69%	(7,627)	84%	(105,457)
(1,362)	0	0%	(1,621)	84%	Interest Expense - Leases	(1,362)	0	0%	(1,621)	84%	0
25	20	125%	20	125%	Interest Income	25	20	125%	20	125%	271
(7,710)	(9,228)	84%	(9,228)	84%	TOTAL FINANCING ACTIVITY	(7,710)	(9,228)	84%	(9,228)	84%	(105,186)
OTHER INCOME (EXPENSE)											
43,008	43,641	99%	45,454	95%	Dues - Capital Improvement	43,008	43,641	99%	45,454	95%	545,140
(36,036)	(36,036)	100%	(33,372)	108%	Depreciation & Amortization	(36,036)	(36,036)	100%	(33,372)	108%	(435,468)
0	0	0%	0	0%	Gain/(Loss) On Disposal Of Assets	0	0	0%	0	0%	0
6,972	7,605	92%	12,082	58%	TOTAL OTHER INCOME (EXPENSE)	6,972	7,605	92%	12,082	58%	108,672
9,692	(5,869)	-165%	20,730	47%	NET INCOME	9,692	(5,869)	-165%	20,730	47%	4,542

Overview:

As Covid cases increased nationwide, the state of Illinois has implemented further mitigation standards. Initial requirements called for small social gatherings and eventually eliminated indoor gatherings and Food and Beverage service. Earlier in the month we were able to host our popular craft cocktail night and Harvest Brunches. As a result of the increased mitigation, the club suffered reduced F&B revenue. Golf was much more fortunate, experiencing outstanding weather, driving record rounds for the month. The club produced almost 800 rounds while past years average roughly 65 rounds.

Lincolnshire Fields will exceed budgeted EBITDA by roughly \$14.7k and end up slightly behind prior year EBITDA and Net Income by roughly \$7.5K. The difference to prior year can be contributed primarily to a difference in payroll. Last year the club did not have a Membership Director or Assistant Golf Professional and the minimum wage increase had not gone into effect. The team did a great job generating revenue and flexing on operation expenses, saving roughly 8% to budget, ensuring the club exceeded EBITDA expectations.

Financial Performance:

Revenues:

The momentum continued into the month of November. Great weather drove record golf rounds generating significant revenue through the golf department. Over \$8.6k of cart and green fees were generated on roughly 800 rounds of golf. Cart and green fees exceeded budget and prior year by approximately \$8k. In addition, merchandise revenue beat budget by \$4.6k with total amount of sales surpassing \$6.5k. Unfortunately, the Food and Beverage department did not experience the same outstanding result; however, under the circumstances was able to generate a quality revenue stream through curbside orders. With mitigation standards tightening, members patronage declined. With less in person dining the club lost out on beverage sales it normally banks. Overall, the F&B revenues were just over \$29.4k on a budget of \$37k and prior year of \$39.1k. Food revenues were off to budget by roughly 19% while beverage revenues were off by 32%. Curbside orders continue to be steady, but we are hopeful we can increase orders in December. The membership dues line was flat to budget and prior year, recognizing \$126.8k in revenue. Overall revenues were \$177k on a budget of \$167.3k and prior year of \$170.8k.

Payroll:

The team was flat to the payroll budget and was roughly 14.4k over prior year. As result of the limited food and beverage services this department experienced the greatest savings. The F&B department combined to save roughly \$3k in payroll. Grounds department was slightly over due to the season bonus paid out. All other departments were flat to budget. Total estimated payroll is \$97.6k on a budget of \$98.2k and prior year of \$83.2k. The major difference to prior year was the absence of a Membership Director and Assistant Golf Professional. The Course and Grounds department did an outstanding job maintaining close to budget even with the large bunker edging and sand replenishment project.

Expenses:

Overall, we were able to save 8% or \$4.6K in expenses. The majority of OPEX savings came from G&A, creating \$5.2k in savings due to less cleaning maintenance and credits applied to utility line items. The Food and Beverage department also experienced solid savings coming in roughly \$4.6k under budget. Savings were experienced in all operating and cleaning supply line items. Grounds was over \$5k over budget due to a needed chemical application and an unbudgeted fuel invoice. Both line items will correct themselves throughout the fiscal year. COS sales were flat to budget for both F&B and Golf departments.

Summary:

Overall, it was a solid start to the new fiscal year. The team shifted its focus in December, driving member engagement through curbside orders and virtual activity through Facebook and other platforms. Our major focuses for the offseason continuing to improve upon the Food and Beverage experience through improved training, working on several maintenance project as well as recruiting a new Director of Membership & Communication. The team looks forward to a very productive offseason even the midst of a pandemic.

Key Performance Highlights:

- Membership Dues Revenue was roughly \$125.7 on a budget of \$126.8K and prior year of \$127.7k.
- Total revenues \$177k on budget of \$167.3k and prior year of \$170.8k.
- Payroll was under budget by \$640 and over \$14.4k to prior year for the month of November.
- Expenses were \$4.6K under budget and under \$600 to prior year for the month of November.
- COS finished at 74.5% for merchandise on budget of 75% and prior year of 68% and Food and Beverage will finish at 40% on budget of 40% and prior year of 39%.
- Roughly had 90 covers for Thanksgiving takeout option generating \$3.5k in sales
- Record golf rounds were experienced in November

Key Performance Issues:

- COVID-19: Recent surges in cases have led to increased mitigation standards which may have a negative impact on the club this fall / 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- Bookings are significantly down for the holidays. The team has developed a Holiday Catering menu and take-n-bake options to drive additional sales.

Key Actions to Drive Performance:

- Finalized Operation and Capital Budget and all preparation for Annual Meeting
- Developed club calendar through end of December- Moved several events to virtual gatherings.
- Food and Beverage Manager is refining staff training manual to increase consistency and quality of our training program.
- New menu development- Chef has analyzed the menu and will introduce several new items that will replace non-selling items.
- Calling members to provide them information about their food minimum, curbside options, and upcoming events.

Membership Count:

Membership Category	Budget	Current	Budget Adds	Current Adds	Budget Subs	Current SUB
EQUITY	148	152	0	1	2	2
JUNIOR 35	38	39	2	0	1	1
JUNIOR 35-37	25	30	1	0	2	1
JUNIOR 38-39	17	13	0	0	0	1
HONORARY	37	35	0	0	0	0
SOCIAL	89	91	1	0	3	3
DINING	18	15	0	0	0	0
NON-RES	12	13	0	0	0	0
TOTAL	384	388	4	1	8	8

Golf Department Recap: Rob Walls, Head Golf Professional

November was a great start to the new fiscal year for the golf department. The weather was nice for most of the month and we saw a significant amount of both member and guest play. The course saw 798 rounds of golf for the month. In 2019, there were a total of 77 rounds. In 2018, there were 63 rounds played. Needless to say, November 2020 was a banner month for course operations. 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. The department ran a discounted guest special that resulted in 106 total guest rounds for the month. Cart fees finished at \$5,700 versus a budget of \$660 and prior year actuals of \$252. Greens fees came in at \$2,947 versus a budget of \$100 and prior year actuals of \$65. These combined revenue totals outpaced budget by \$7,885 and got the department off to a strong start to the year.

Merchandise sales were solid in November. There was a total of \$6,588.28 sold versus a budget of \$1,955 and '19 actuals of \$2,315. Special orders were the main driver at \$5,315. Most of these special orders were ordered in October, but due to Covid issues, shipping was slow, so these sales were recognized in November. Despite increased golf traffic, we are still seeing a downward trend in out-of-inventory sales. The team has some plans to boost sales in December with some virtual offerings. Cost of goods ran right at the expected 75%. Overall, it was a solid merchandising month with room for improvement.

On a final note, 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.

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 are excited to develop programming for next season.
- Matt had to anchor the department for the latter half of the month as Rob contracted the coronavirus and was forced to quarantine for 10 days.
- Several offseason projects are underway.
 - o Cleaning, organizing and development of new scorecard.

Thank you for all your support! Happy Holidays!

Course & Grounds Recap: Scott Werner, Golf Course Superintendent

Another beautiful fall month with plenty of opportunities for golf and golf maintenance projects. The grounds staff spent most of their time on bunker edge restoration and sand addition. Leaf cleanup and winterization were also on the agenda.

Grounds notes for November:

We were minimally impacted by COVID-19 during the month, but able to hang onto enough seasonal staff to keep our fall projects going.

November expenses ran a little high, mostly due to a herbicide application that we were able to make to fairways that wasn't budgeted in the fall, and the timing of fuel deliveries, both of which will eventually balance out. Payroll was also a little high due to retaining additional labor for the bunker project.

Grounds projects during November:

- Performed a scheduled fungicide/plant health application to all greens.
- Performed a herbicide application to all fairways.
- Repaired an irrigation leak on a bridge crossing that we had lived with throughout the season.
- Continued selective pruning/limbing-up of many course and club area trees.
- Performed re-definition and sand addition to remaining 17 green-side bunkers, and first 9 fairway bunkers.
- Installed all Christmas lights around clubhouse areas.
- Stored outdoor tables, chairs, and most course accessories for winter.

November Photos:



Early November Aerial Photos of Course



More Bunker Restoration Photos



More Bunker Restoration Photos



Large quantities of spoils generated from bunker project



Part of Christmas light display at Clubhouse

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