



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 October.

Lincolnshire Fields Standard Summary Income Statement For the Twelve Months Ending October 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										
30,162	23,095	131%	25,904	116%	232,027	245,649	94%	221,229	105%	245,649
32,984	26,944	122%	26,643	124%	154,837	197,565	78%	177,741	87%	197,565
2,062	210	982%	2,008	103%	7,712	3,963	194%	6,629	118%	3,963
0	75	0%	25	0%	6	525	1%	845	1%	525
52,447	38,536	136%	42,682	123%	619,979	842,541	74%	743,664	83%	842,541
95,664	128,465	74%	118,367	81%	1,529,583	1,534,600	100%	1,466,696	104%	1,534,600
0	0	0%	0	0%	20,200	10,000	202%	10,587	191%	10,000
0	40	0%	(9)	0%	14,335	28,220	51%	36,945	39%	28,220
543	2,122	26%	944	58%	21,159	21,073	100%	18,945	112%	21,073
213,862	219,507	97%	216,563	99%	2,599,838	2,884,156	90%	2,682,285	97%	2,884,156
COST OF SALES										
23,503	20,208	116%	20,072	117%	120,341	147,200	82%	133,247	90%	147,200
18,414	15,288	120%	19,672	94%	221,217	319,416	69%	266,836	83%	319,416
41,916	35,496	118%	39,744	105%	341,558	466,616	73%	400,084	85%	466,616
71.3%	75.0%	95.0%	75.3%	94.6%	77.7%	74.5%	104.3%	75.0%	103.7%	74.5%
38.9%	38.8%	97.7%	51.7%	75.2%	39.0%	39.7%	98.2%	40.2%	96.9%	39.7%
PAYROLL										
41,407	41,875	99%	36,391	114%	411,380	439,231	94%	406,143	101%	439,231
12,853	10,227	126%	6,065	212%	111,611	125,566	89%	99,058	113%	125,566
36,063	36,907	100%	41,241	87%	485,070	477,859	102%	479,928	101%	477,859
224	0	0%	132	170%	40,050	64,122	62%	59,481	67%	64,122
21,838	21,805	100%	17,590	124%	271,449	270,123	100%	294,309	92%	270,123
112,384	109,813	102%	101,420	111%	1,319,560	1,376,901	96%	1,338,918	99%	1,376,901
OPERATING EXPENSES										
22,151	20,508	107%	21,447	103%	267,827	282,354	95%	293,256	91%	282,354
1,731	1,731	100%	1,731	100%	23,765	23,271	102%	25,106	96%	23,271
1,465	368	400%	439	334%	10,286	9,374	110%	9,725	109%	9,374
11,299	10,024	113%	13,412	84%	128,175	138,927	92%	145,859	88%	138,927
1,660	1,000	166%	69	2407%	16,533	23,299	71%	21,173	78%	23,299
45,824	40,938	112%	49,051	93%	501,370	528,262	95%	490,780	102%	528,262
84,120	74,960	113%	86,150	98%	947,956	1,005,486	94%	985,900	96%	1,005,486
238,420	219,968	108%	227,313	105%	2,609,074	2,849,003	92%	2,724,902	96%	2,849,003
(24,558)	(462)	5321%	(10,750)	228%	(8,237)	35,154	-26%	(42,617)	22%	35,154
FINANCING ACTIVITY										
(6,475)	(7,495)	86%	(7,329)	88%	(79,346)	(89,940)	88%	(88,572)	90%	(89,940)
(1,176)	(1,083)	109%	(1,650)	71%	(16,805)	(12,996)	129%	(15,164)	111%	(12,996)
29	0	0%	20	140%	299	0	0%	611	40%	0
(7,621)	(8,578)	89%	(8,359)	85%	(95,852)	(102,936)	93%	(103,125)	93%	(102,936)
OTHER INCOME (EXPENSE)										
41,272	45,684	90%	45,321	91%	541,490	544,876	99%	565,946	96%	544,876
(36,036)	(33,873)	106%	(47,893)	70%	(432,431)	(406,476)	106%	(414,987)	104%	(406,476)
0	0	0%	0	0%	10,375	0	0%	0	0%	0
5,236	11,811	44%	(2,572)	-204%	119,434	138,400	86%	150,959	79%	138,400
(26,942)	2,771	-972%	(22,281)	121%	14,346	70,618	20%	5,216	275%	70,618

Overview:

The club's momentum continued through October producing a fourth consecutive solid financial month. Strong member patronage was experienced at a variety of golf and social events throughout the month. The new innovative dining events introduced in September, such as Craft Cocktail Night, Taps and Apps and Fall Couple's Golf, continued to see increased participation, exceeding their budgets, and driving revenues in the Food & Beverage and Golf departments. In addition, we had record turnout for the Mean 18 and Member / Guest golf events. Lastly, both the Fall Festival and Member Appreciation Tailgate events were sold out capping off the year.

Favorable weather continued throughout the month allowing the golf department to experience another fantastic financial month. Since reopening in May, a record number of rounds have been recorded each month, October was no exception, with rounds of golf up 45% over prior year. Rounds for the year totaled 15.6k which was roughly 3.1k more than prior year. Increased guest play drove revenues, helping the golf department to successfully outpace prior year and budget in all key performance indicators.

Financial Performance:

As we moved into the last month of the fiscal year, the management team continued to be conscious of the club's financial position with a goal to create the best possible outcome for the club in 2020. Earlier this year at the onset of the pandemic, we initially predicted around a \$200k miss to budget. Fortunately, we were able to open all club amenities and the club experienced several strong revenue months, helping to exceed initial expectations at the onset of the pandemic and prior year. For a fourth straight month F&B and Golf departments performed admirably outperforming budget and prior year. Payroll remained higher than budget and prior year as a result of the grounds bunker maintenance project and increased staffing due to the high patronage in clubhouse. As a result of a significant adjustment to the dues revenues and expenses, the club experienced a shortfall in EBITDA by roughly \$24.1k to budget and \$13.8k to prior year.

Revenues:

For the fourth consecutive month the Golf and F&B department did an outstanding job generating revenues, outpacing budget and prior year. As a result of our end-of-year audit process, accounting made a sizable correction to the dues line of roughly \$35k impacting the monthly revenues. Overall, revenues totaled \$213.9k against a budget of \$219.5k and prior year of \$227.6k. As a result of the dues adjustment, revenues experienced a slight shortfall to budget, down \$5.6k and down to prior year by \$2.7k. At the height of the pandemic the club's revenues were down roughly 20% to budget and 10% to prior year. However, in the past four months the club did an excellent job generating revenues resulting in the club gaining several percentage points on year-to-date revenues with the club finishing the fiscal year down 9.8% to budget and 3% to prior year.

The Food and Beverage department continued to roll, generating roughly \$52.5k in revenue. This was roughly \$14k over budget and \$9.9k better than prior year. Overall, dining patronage was higher than initially forecasted in the contingency model, which outpaced expectations during these unprecedented times. Having limited dining for much of the year, the F&B Department revenues for the year are down 26% to budget and 17% to prior year. The great October weather helped the golf department to have another outstanding month. With increased member and guest play, huge gains were realized in cart and green fees, and merchandise revenues. The golf department had \$30.2k in cart and greens fees and an additional \$33k in merchandise sales. This exceeded total budgeted revenue for the department by roughly \$13k. For the year the golf department missed green and cart fee budget by \$13.5k as result of the trail fee refund of roughly \$8k and a couple of cancelled outings. Merchandise was more significantly impacted due to the slow start and fewer tournaments resulting in a miss to budget by \$43k and \$23k to prior year.

Payroll:

As a result of the great weather, patronage remained high requiring full staffing in each department. Overall payroll was roughly \$112.4k on a budget of \$109.8k and prior year \$101.4k. Even with the increase in events and club usage vs prior year F&B Department labor was flat to budget and under prior year by \$5k for the month of October. However, for the year the department operated 2% over budget and 1% over prior year with most of the miss being contributed to the additional labor resources put in place during the Executive Chef transition. Golf course maintenance continued to operate at full staffing levels to complete the bunker edging and sand replacement project. As a result, the department was over budget by \$1.6k. For the year, the Grounds Department was down to budget by 6%, realizing most of the savings in early spring because of COVID-19 restrictions placed on the golf course. Admin department was flat to budget for the month and year. With significant increases in play and an accrual adjustment to vacation pay, the golf department operated slightly above budget, spending roughly \$2.6k over plan. As a result of the slow start to golf season the Golf department saved 11% to budget; however, was over prior year by 13% due to adding a full-time assistant. Overall, for the year, the departments combined to save roughly 4% or \$57.3k to budget, helping the flow through to the bottom line.

Expenses:

Operating expenses were higher to budget by \$9.4k and were under \$2.1k to prior year. All departments experienced slight overages. Most of the overages came in the admin department (\$4.9k), because of the Kemper expenses associated with the chef transition and a couple emergency repairs to the club facilities. Grounds was over by \$1.6k due to transferring expense from capital fund to Grounds operating expense. Both the kitchen (\$1.3k) and golf (\$1.1k) experienced overages due to repairs. Overall, for the year, expenses ended down to budget by 6% and 4% to prior year. Most of these savings were experienced during the clubhouse closure period due to the pandemic. Over the past several months we have continued to spend significant amounts in the F&B Department on to-go vessels and cleaning supplies as result of the changes in operations because of COVID-19. We anticipate this trend to continue through the spring with necessary mitigation standards for Covid-19.

Cost of goods for both Golf and F&B department remained in line for the month of October. Year-to-date the cost of sales for the golf department was slightly higher (78% on a budget of 75%) due to minimal special orders and additional sales offerings throughout the year to move merchandise. F&B remained on budget (39% COS) for the entire fiscal year.

Summary:

Overall, the club finished behind budgeted EBITDA by \$44.3 and operated with a \$9.2k shortfall. Despite the challenges the club faced through this difficult operating year we will see an improvement over prior year by \$33.4k. This would not have been achieved if not for consistent membership participation over the past several months. The staff looks forward to driving similar success into the offseason with creative curbside offerings and events that meet the guidelines set by the state.

Key Performance Highlights:

- Membership Dues Revenue was roughly \$95.7 on a budget of \$128.5K and prior year of \$118.4k.
- Total revenues \$213.9k on budget of \$219.5k and prior year of \$227.6k.
- Payroll was over budget by \$2.6k and over \$11k to prior year for the month of October.
- Expenses were \$9.4K over budget and under \$2.1k to prior year for the month of October.
- COS finished at 71% for merchandise on budget of 75% and prior year of 75% and Food and Beverage will finish at 39% on budget of 40% and prior year of 52%.

Key Performance Issues:

- COVID-19: As the Coronavirus pandemic has spread throughout the country, state restrictions have been placed on business operations. Recent surges in cases have led to potential increased mitigation standards which may have a negative impact on the club this fall / winter. Plans continue to be made 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 to drive additional sales.

Key Actions to Drive Performance:

- New Events Hosted in October: Family Fun Day & Trunk or Treat
- Member-Guest Day & Mean 18: Had record turnouts for both events
- Harvest Sunday Brunch- The month started off strong with 50-60 reservations for the each of the first two brunches. For the last couple we have seen a decline in attendance.
- Craft Cocktail Night- Matt B. shared secret recipes with the cocktails paired with amazing food specials. Sold out the event with 50 members participating. This has quickly become one of the most popular dining traditions which we are looking to expand as we go into the winter months.
- Developed Winter Calendar- Added new program for social events to keep members participating.
 - Key Events Coming up in Nov: Watch Party, Wine Warehouse, Craft Cocktail, Light up LFCC, Thanksgiving and Harvest Brunches.
- New menu in production: Set to release the first week in November
- Holiday Catering menu created and distributed to the membership.
- Pool- Operated pool until October 11th.
- Golf rounds were up roughly 400 rounds over prior year and roughly 1200 for the year.

Membership Status as of 10.31.20: Sara Michael, Membership Director

Sales:

- **New Membership: None**

Marketing:

- **Promotions:** Running a promotion of \$1,000 with 24-month commitment. Due to assessment this was the best course of action.
- **Facebook:** We have seen significant growth and interactions on our Facebook. Members are excited and reacting to the content.
- **Canva:** Designing and branding what LFCC will look like from here on out. Finished setting up Monthly Newsletter design and weekly updates.
- **Signup Genius:** Working on signups to promote events and gain attention for socials.
- **Triple marketing the specials and Events! You see them on Social Media, Push Notification, and Email**

Member Relations:

- Reaching out to members who we have not seen at the club
- Working all referrals from members and making sure they know the benefits of that program.
- Working King of Clubs using Thursday nights to talk to members.
- Helping develop social events for the club that the members want!

Other Services:

- Working with Chef on menu ideas and options.
- Membership Spotlight Post
- Creating campaign for members to pledge their support for the club.
- Updating events and menus on website as well as signup genius
- Monitoring Google Business Page and trying to get members to review our property.

November Expectations:

- Sign up 2 members
- Continued working referrals
- Working with realtors as the industry is booming right now.
- Continue to build relationships with members
- Support the Social Events and drive attendance

Wins

We again saw a couple of members stay on as Non-Residents instead of resigning. We were able to get a member to come back to Equity and hopefully book an event. This month we have met challenges with the Governors new orders but working as a team to see how we can rise to the challenge.

Membership Category	Budget	Current		Budget Adds	Current Adds	Budget Subs	Current SUB
EQUITY	158	150		8	12	8	15
JUNIOR 35	47	43		12	12	11	10
JUNIOR 35-37	20	28		4	6	4	1
JUNIOR 38-39	17	15		4	3	2	0
HONORARY	38	35		0	1	1	5
SOCIAL	91	92		20	14	18	17
DINING	16	15		0	1	1	3
NON-RES	11	13		1	1	1	2
U OF I	4	4		0	0	0	0
TOTAL	402	395		49	49	46	53

Golf Department Recap: Rob Walls, Head Golf Professional

October was a successful month for the golf department. The weather was beautiful and there was a lot of member and guest play. The course saw 1,445 rounds of golf for the month which was an increase of 45% from the 999 rounds in October 2019. This was the highest number of recorded rounds in October since at least 2016. Rounds have continued to trend significantly up this season and we are currently at 15,539 rounds for the year despite no golf in April and severe restrictions in May. At the close of the fiscal year last season, we had recorded 12,348 rounds of golf. This season's total represents a 26% increase over prior year and the highest record total since 2016. We will 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 weather was nice throughout and we saw great participation in both our Fall Member Guest and Mean 18 events. The department also ran some Fall Guest Specials where we encouraged larger groups of guests with discounted rates and saw significant increases in guest play over the closing weeks of the month. Cart fees were at \$10,726 versus a budget of \$6,792 and prior year actuals of \$6,960. Greens fees came in at \$10,706 versus a budget of \$4,600 and prior year actuals of \$7,769. These combined revenue totals equate to an 88% increase versus budget and 45% versus prior year.

The membership has shown fantastic support over the latter half of the year. The last few months have allowed us to make up significant ground versus budget and prior year. Year to date, the golf department finished the year at \$168,410 in revenue from greens and cart rental fees. This total beat budget by 3% and outpaced prior year by almost 20%. The membership played a lot of golf this season and these final tallies reflect this total. As discussed last month, the main revenue miss was from the Private Cart revenue line. This \$18k miss was a result of the credit issued for the months of April and May for those cart owners who were unable to utilize their carts during the spring. Overall, we had a great year with a significant increase in rounds of golf and cart usage. We will hope the trend continues into 2021.

After a down month in September, merchandise sales increased in October. There was a total of \$32,984 sold versus a budget of \$26,944 and '19 actuals of \$26,642. Special orders were slightly over budget with \$6,945 in sales versus \$6,044 in October '19. These totals allowed the department to finish at \$154,836 in merchandise sales for the season, \$106k out of inventory and \$49k in special order. The out of inventory number finishes down 18% versus budget and 4.6% or \$5k to 2019 totals. Special orders were a larger miss, finishing down 27% or 18k versus budget and prior year. Cost of goods ran slightly high at 77%. This can be attributed to discounting of aged merchandise and the club utilizing less early pay discounts throughout the season given Covid-19 circumstances. Special orders have been the bread and butter of the golf shop sales plans over the last several seasons, and have proven to be consistent business for us in the past. We are confident that a better sales climate in 2021 will get the department back on track.

On a final note, we are ending the year in a much better inventory position this year versus last and should be ready to start 2021 with fresh new merchandise and minimal aged inventory.

Some additional notes regarding golf activity:

- The golf department continues to flex payroll as much as possible.
 - o The driving range is closed and we do not plan to have any hourly staff in November.
- Fall Nine & Dines were a success with an average of 36 participants on three separate Saturday evenings in October.
- Buying for 2021 is in process.
 - o Matt and I have developed a conservative apparel buying plan for this coming spring.

Thank you for all your support! It was a great season, and we are looking forward to an even better 2021.

Grounds Recap: Scott Werner, Superintendent

October continued the trend of beautiful fall weather that generated a lot of golf. The course continues to show the extra wear and tear from what is becoming a record level of play for LFCC. Grounds staff priorities shifted to leaf cleanup, winterization, and projects, with bunker restoration being the highest priority.

Grounds notes for October:

Our limited Covid impacts passed and staff levels have held up through October, allowing much progress on the bunker restoration project. October expenses finished very close to projections despite a couple of unexpected last-minute adjustments.

Grounds projects during October:

- Heavily sand toppedressed and core aerified the remaining tees, except for a few small tees to be done with a smaller aerifier that has been out of service.
- Performed monthly wetting agent applications to all greens, fairways, and approaches.
- Performed scheduled fungicide applications to all tees, greens, and fairways.
- Continued selective pruning/limbing-up of many course and club area trees.
- Performed re-definition and sand addition to 22 green-side bunkers.
- Winterized on-course restrooms and irrigation pumphouse.
- Removed tennis windscreens.
- Removed all annual flowers and took any overwintered plants to greenhouse for storage.
- Repaired two irrigation leaks on front nine.

October Photos:



Bunker restoration in progress



Bunker restorations completed



Fall course photos

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