



To: Dave Jones, President LFCC
 From: Justin Waffle
 CC: Board of Directors, Frank Merkel
 Re: Lincolnshire Fields Country Club

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

Lincolnshire Fields
 Standard Summary Income Statement
 For the Six Months Ending April 30, 2018

| Actual | MTD Budget | % of Budget | MTD Prior Year | % of PY | | Actual | YTD Budget | % of Budget | YTD Prior Year | % of PY | Annual Budget |
|-------------------------------|-----------------|---------------|-----------------|----------------|-------------------------------------|------------------|------------------|---------------|------------------|---------------|------------------|
| REVENUES | | | | | | | | | | | |
| 18,812 | 25,235 | 75% | 22,380 | 84% | Green Fees & Cart Fees | 22,821 | 31,810 | 71% | 28,858 | 79% | 288,920 |
| 22,501 | 17,000 | 132% | 25,610 | 88% | Merchandise | 40,341 | 43,550 | 93% | 48,497 | 83% | 190,050 |
| 70 | 230 | 30% | 65 | 109% | Other Pro Shop | 1,888 | 1,280 | 148% | 735 | 257% | 2,425 |
| 5 | 35 | 14% | 15 | 33% | Range | 60 | 170 | 29% | 143 | 39% | 1,620 |
| 61,331 | 88,165 | 90% | 55,089 | 111% | Food and Beverage | 302,189 | 321,873 | 94% | 275,779 | 110% | 958,513 |
| 0 | 140 | 0% | 0 | 0% | Food and Beverage Gratuities Income | 0 | 940 | 0% | 3,558 | 0% | 1,880 |
| 115,761 | 117,815 | 98% | 115,588 | 100% | Membership Dues | 862,823 | 859,788 | 105% | 753,218 | 92% | 1,379,822 |
| 0 | 3,000 | 0% | 5,572 | 0% | Membership Initiation Fees | 1,000 | 45,000 | 2% | 7,039 | 14% | 75,600 |
| 2,283 | 3,940 | 58% | 1,780 | 128% | Other Operating Revenues | 2,531 | 4,175 | 61% | 1,955 | 129% | 20,905 |
| 5,364 | 1,533 | 350% | 288 | 1866% | Other G&A Income | 21,398 | 15,165 | 141% | 5,291 | 404% | 27,706 |
| 226,127 | 237,093 | 95% | 226,366 | 100% | TOTAL REVENUE | 1,084,641 | 1,123,651 | 97% | 1,124,868 | 96% | 2,926,241 |
| COST OF SALES | | | | | | | | | | | |
| 19,189 | 12,750 | 151% | (18,053) | -106% | Merchandise | 32,128 | 32,863 | 98% | 35,650 | 90% | 142,538 |
| 17,647 | 25,354 | 70% | 27,622 | 64% | Food & Beverage | 114,324 | 117,013 | 98% | 120,898 | 95% | 382,419 |
| 36,837 | 38,104 | 97% | 9,570 | 385% | TOTAL COGS | 146,452 | 149,876 | 98% | 156,548 | 94% | 504,957 |
| 85.3% | 75.0% | 113.7% | -70.5% | -121.0% | COGS - Merchandise % | 79.6% | 75.0% | 106.2% | 73.5% | 108.3% | 75.0% |
| 30.1% | 38.3% | 78.5% | 55.3% | 54.4% | COGS - Food % | 43.2% | 39.6% | 109.0% | 48.5% | 89.0% | 40.0% |
| PAYROLL | | | | | | | | | | | |
| 30,413 | 40,219 | 76% | 34,145 | 89% | Course and Grounds | 151,515 | 165,807 | 91% | 149,015 | 101% | 443,393 |
| 9,153 | 12,062 | 76% | 7,842 | 117% | Pro Shop | 38,348 | 45,313 | 85% | 37,884 | 101% | 138,255 |
| 35,991 | 35,641 | 101% | 30,701 | 117% | Food and Beverage | 184,746 | 213,041 | 87% | 180,428 | 119% | 458,788 |
| 573 | 1,518 | 38% | 190 | 302% | Other Operating Departments | 987 | 2,109 | 47% | (974) | -101% | 72,199 |
| 22,365 | 24,056 | 93% | 13,945 | 160% | General and Administrative | 121,138 | 134,422 | 90% | 127,213 | 95% | 277,607 |
| 98,495 | 113,493 | 87% | 86,823 | 113% | TOTAL PAYROLL | 496,735 | 560,692 | 89% | 474,466 | 105% | 1,390,242 |
| OPERATING EXPENSES | | | | | | | | | | | |
| 22,406 | 24,066 | 93% | 39,284 | 57% | Course and Grounds | 55,180 | 68,117 | 83% | 73,316 | 79% | 296,763 |
| 2,883 | 4,862 | 59% | 1,824 | 157% | Carts, Range, Starters, Etc. | 7,188 | 15,672 | 46% | 12,297 | 58% | 28,944 |
| (2,571) | 234 | -109% | (38) | 7134% | Pro Shop | 1,720 | 5,513 | 31% | 6,353 | 27% | 18,457 |
| 9,584 | 10,588 | 91% | 13,825 | 70% | Food and Beverage | 82,445 | 84,509 | 97% | 58,069 | 111% | 157,348 |
| 847 | 7,887 | 11% | 1,672 | 51% | Other Operating Departments | 2,154 | 8,334 | 26% | 9,877 | 22% | 33,294 |
| 30,297 | 32,442 | 93% | 35,429 | 86% | General and Administrative | 197,292 | 178,941 | 110% | 198,357 | 99% | 388,691 |
| 63,427 | 80,078 | 79% | 91,798 | 69% | TOTAL OPERATING EXPENSES | 325,979 | 339,086 | 96% | 356,299 | 91% | 921,466 |
| 198,758 | 231,675 | 86% | 188,190 | 106% | TOTAL EXPENSES | 969,166 | 1,049,453 | 92% | 987,311 | 98% | 2,816,665 |
| 27,368 | 5,418 | 505% | 38,175 | 72% | EBITDA | 115,475 | 74,198 | 156% | 137,567 | 84% | 109,576 |
| (9,000) | (9,000) | 100% | 0 | 0% | MANAGEMENT FEES | (54,000) | (54,000) | 100% | 0 | 0% | (108,000) |
| FINANCING ACTIVITY | | | | | | | | | | | |
| (5,611) | (11,525) | 49% | (11,090) | 51% | Interest Expense - Debt | (46,750) | (64,486) | 73% | (61,307) | 76% | (121,248) |
| (98) | 0 | 0% | (434) | 22% | Interest Expense - Leases | (1,159) | 0 | 74% | (3,160) | 37% | 0 |
| 58 | 119 | 49% | 119 | 49% | Interest Income | 324 | 440 | 74% | 440 | 74% | 616 |
| (5,649) | (11,406) | 50% | (11,406) | 50% | TOTAL FINANCING ACTIVITY | (47,585) | (64,029) | 74% | (64,027) | 74% | (120,632) |
| OTHER INCOME (EXPENSE) | | | | | | | | | | | |
| 47,086 | 53,160 | 89% | 53,190 | 89% | Dues - Capital Improvement | 287,069 | 318,662 | 90% | 318,662 | 90% | 608,123 |
| (32,714) | (31,871) | 103% | (31,791) | 103% | Depreciation & Amortization | (190,282) | (190,026) | 103% | (190,749) | 103% | (380,052) |
| 0 | 0 | 0% | 0 | 0% | Gain(Loss) On Disposal Of Assets | 0 | 0 | 0% | 0 | 0% | 0 |
| 14,372 | 21,519 | 67% | 21,398 | 67% | TOTAL OTHER INCOME (EXPENSE) | 90,817 | 128,666 | 71% | 127,943 | 71% | 228,071 |
| 27,091 | 6,531 | 415% | 48,168 | 56% | NET INCOME | 104,708 | 84,835 | 123% | 201,473 | 52% | 109,015 |

Revenues:

The month of April was affected in large part by weather causing us to miss budgeted revenue by \$11k however revenues were flat to prior year. Year to date we are down 3% to budget and 4% to prior year.

The slow start to the season has produced fewer rounds and much less guest play resulting in \$12k miss in total golf revenues. To make up for the miss, Rob Walls developed a small outing program designed to generate additional green and cart fee revenue.

Our “Swing into Spring” membership promotion produced a significant increase in membership however, due to the promotion we have not collected initiation fees resulting in a year to date revenue shortfall of \$11k to budget in membership. Membership dues are down 8% to prior year however, we’ve added 13 new members in March / April and plan 15 additional adds in May. These membership additions will bring us significantly closer to positive net dues for the year and push membership dues revenue over budget.

Lastly, Food and Beverage department continues to significantly outperform prior year, outpacing prior year revenue by 10%. A la carte dining has been significantly more over prior year while private events are down roughly \$20K to budget and prior year. For the second half of the fiscal year we will continue to focus on; increasing membership, specifically Equity and Junior memberships, small outings and private events to drive revenues.

Payroll:

The team was yet again successful FLEXing payroll which helped us to exceed budgeted EBITDA. Overall the team was able to save roughly \$15k or 13% to budget. Again, it was a collective and conscious effort to help make up for the miss in revenues. Course and Grounds contributed the most, saving \$10k, however the department is flat to prior year. Overall year to date the team has saved 11% to budget and is 5% over prior year. Our goal has been to increase service levels and as result, we have spent 15% more in the Food and Beverage department payroll to deliver better service.

Expenses:

Expenses were significantly down to budget (\$17k) and prior year (\$29K). Because of the inclement weather Course and Grounds used significantly less fertilizer than in past years. Golf department also received its last month of complementary carts negotiated in the new car lease agreement. Lastly, we purchased pool chemical back in December which help to provide significant upfront saving. These chemicals were budgeted for April. Overall, year to date we have saved 4% to budget and 9% over prior year.

We have seen an improvement in COG over prior year through the first half of the year. Food and Beverage department is down 5% over prior year, moving the club closer to industry standard. Chef Troc and Matt Flottmann have done a great job utilizing KemperSports purchasing power, enhancing inventory controls and adjusted industry pricing to industry standard. To continue to drive COG’s lower we’ll will focus on generating more banquets and private events where margins tend to be larger. Golf’s COG is higher than we would like however, this is contributed to several sales to move dated inventory.

Summary: Overall, we are \$41k over budgeted EBITDA for the year. For the next quarter our major focus is driving revenues to make up for the 3% miss YTD. Membership, small outing and private event programing will be our three-prong attack to drive the success for the second half of the fiscal year. With these initiatives and conscious effort to control expenses and payroll the team is prepared to have a great second half of the year.

Key Performance Highlights:

- ❖ Saved \$17K in payroll expenses for the month and \$64k YTD
- ❖ Expenses were down \$17k to budget in April and are down 9% for the year vs prior year
- ❖ Rounds were down 25% over prior year however generated same revenues as year prior
- ❖ Host with the Most generated over \$5,000 in revenue the best one YTD
- ❖ Acquired 9 new members and have over 7 leads projected to signup first week of May
- ❖ TrueService Training hosted April 23rd and attended by 18 staff members

Key Performance Issues:

- ❖ Equipment Assets- Currently, have several assets in need of repair- coolers, a/c units etc. New custodian helping the club to manage preventive maintenance. Reviewing an ongoing preventive maintenance strategy for equipment.
- ❖ Employment: Labor pool in the Champaign market is scarce for qualified seasonal help. Now we need to hire in course and grounds departments as well as a swim coach. Grounds department are short several employee partners and working on obtaining new seasonal help. We received several applicants through indeed.

Key Actions to Drive Performance:

- ❖ Implemented improved beverage cart inventory procedures
- ❖ Introduced new Stingrays menu with healthier / fresh options and working on new 19th Hole / Dining menu
- ❖ Hired Pool Manager- she's creating and documenting seasonal pool opening procedures, staff training and orientation guides.
- ❖ Sports Sign up scheduled for May 12th
- ❖ Finalizing dining membership with Carle at meeting scheduled for May 16th
- ❖ Member for a week campaign- Printing and distributing promotion last week of May
- ❖ Small outing promotion to drive cart and greens fees

Membership Count:

| | Current | Budgeted | | Adds | Subs | Dues Add / Lost | Budget Dues Add |
|----------------------------|------------|------------|--|-----------|-----------|-------------------|-----------------|
| Membership Category | | | | | | | |
| 1/2 Junior | 21 | 24 | | 1 | 1 | 0 | 1,001.55 |
| 3/4 Junior | 7 | 3 | | | | 0 | |
| 3/4 junior ass. | 42 | 64 | | 5 | 9 | (971.20) | 242.80 |
| Equity | 160 | 170 | | 1 | 7 | (3,642.00) | 607 |
| Honorary | 40 | 41 | | 0 | 1 | (303.50) | 0 |
| Honorary social | 3 | 1 | | | | 0 | 0 |
| Social | 93 | 85 | | 9 | 6 | 934.50 | (623.00) |
| Dining | 27 | 50 | | | 3 | (339.00) | 339 |
| Non-Res | 7 | 5 | | 1 | | 142 | 0 |
| U of I | 5 | 6 | | | | 0 | 0 |
| | | | | | | | |
| Total | 405 | 424 | | 17 | 27 | (4,179.20) | 1,567.35 |

Membership Status as of April 30, 2018 From Stephen Dunn

- ❖ **9 new members**, 3 resignations, **Net +6 members** for April
-3.5/25 towards **Membership Madness**
Total club membership = 405
- ❖ **6 out of the 9** membership sales this month came from **LFCC Referrals**.

Sales & Marketing:

- ❖ **Prospect Meetings:** Attended **6** prospect meetings with **many** potential members.
- ❖ **9 New Memberships**
 - **Quinton & Emily Troy.** Emily is an employee of current member Luke Sherman.
 - **Rick & Cindy Steward.** They know a couple of the members already, so they will have an easy transition into the club.
 - **Dr. Mbu & Lina Mongwa.** They have three daughters and will have a lot of fun with camps and being out at Stingrays often.
 - **Robert & Lisa Mercer.** They are excited to use the pool and will be a great addition to our club.
 - **John & Dori LeVanti.** They have been members out here before and are excited to be back.
 - **David Challoner.** He is a Junior member and will golf out here as much as he can. He is excited to play our great golf course.
 - **Marci & Rob Smith.** They have three kids and are excited to use Stingrays very often during the summer.
 - **Thair Al-Saqri.** Thair was an employee at LFCC for many years. He is excited to now be a member and will fit right in with our members.
 - **Dr. Lynn Dale.** He has been a member out here previously and is excited to be back out here. He lives right next door in a condominium, so he will be here very frequently.
- ❖ **Instagram:** Instagram posts go out every Thursday. I will start posting more photos of our members and the events we have as they are going on. I won't limit this page to just being for flyers.
- ❖ **Facebook:** Facebook posts go out at least twice a week (Wednesdays & Fridays) for upcoming events. I will start having more spontaneous posts of our members and the different events as they are going on.
- ❖ **In Process:** Worden Martin, Carle, and Health Alliance (Meeting in May). **Have received approval from Board of Directors to move forward with Corporate Dining Membership!**
- ❖ **Community Outreach:** Starting to create list of 10-15 different business and organizations. Starting to create marketing strategy for a few of those businesses and organizations. I will discuss Corporate Dining Memberships, hosting golf outings, and membership opportunities.
- ❖ **Swing into Spring:** Loyalty Program. The membership is really supporting this program and are providing me with quite a few referrals.
- ❖ **Golden Ticket:** Starting to pass these out. Hopefully this will drive the Membership Referral program stronger. Received first Golden Ticket from Randi Lundstedt.

Member Relations:

- ❖ Helping our staff getting to know our members by having a "Name Game" quiz each Thursday before King of Clubs.
- ❖ I have been posting our "Weekly Drawing Video" each Friday on Facebook. Our members are supportive and excited to see who wins the various prizes.
- ❖ I will listen to the feedback from our members (the good, the bad, and the ugly) and pass it on to our staff so we know what we are doing well and what we need to work on to improve our members' experiences each time they are out here.

Banquets & Events:

- ❖ **CRS:** Booked golf outing and lunch with CRS company for 20-25 people for May 15th.

Other Services:

- ❖ Completed May Newsletter

May Expectations:

- ❖ Sign up 15 new memberships
- ❖ Continued referrals from our great members
- ❖ Start seeing more of our Golden Tickets being turned in
- ❖ Continue to grow the pipeline of leads with different events we have
 - Spring Member-Guest event (40 teams = a lot of leads opportunities)

Restaurant Service Focus From Matt Flottmann:

May Focus

- ❖ Club Member Ready
 1. Review detailed checklist with entire front of house staff during daily lineups
 2. Hold staff accountable
 3. Provide staff daily with pre-shift checklist with action items ensuring facility it member ready
- ❖ Member Recognition
 1. Member Name Recognition Quiz- Each week staff present and quizzed on 9-member names
 2. Continue to have all servers present their tableside greeting at lineup working on using the members name at least three times in the interaction
 3. Collect and provide servers with Member preferences to ensure a more personalized experience
 4. Spend more time coaching one on one with servers
- ❖ Steps of Service
 1. Review basic steps of service- welcomes, creating the experience and providing fond farewell
 2. Outline and review key touch points through the interaction

Course & Grounds:

April weather, much like March, was a mess! Cold, snow, rain, etc., limited days for golf, and very little course maintenance performed. Our first mowing of greens on the 16th of the month was the latest during my 28 seasons at LFCC! Due to weather, most all course maintenance is running about 3-4 weeks behind normal schedules. Chemical and fertilizer applications were very limited and applications scheduled for April will run over into May.

Budget numbers continued to run well under projections during the month of April. Much of this is due to low seasonal labor hours, some from weather related call-offs, but most from continuing to run 4-6 seasonal staff positions short. We have been attempting to attract staff through all conventional and some new methods, but very little success to report thus far.

Grounds notes for May:

May will hopefully be a month of catch-up for us in Grounds. We will be trying to condense 2 months of chemical/fertilizer applications into one month. And mowing and maintenance schedules will continue to intensify as we try to reach peak season levels by the end of the month. Much of this will depend on our success in filling out the seasonal staff.

Early May labor numbers will continue to run low as we try to hire staff, but other expense numbers in May will most likely run high as we make up for the weather effects from April as mentioned above.

Grounds projects during the past month:

- Completed all initial spring raking/cleanup of course.
- Performed leaf and debris cleanup around clubhouse and pool areas.
- Pressurized irrigation system and made several sprinkler and controller repairs.
- Opened course restroom for the season and repaired several plumbing problems.
- Began spring cleanup/pruning of clubhouse and course landscape beds.
- Performed bunker restoration from winter damage.
- Installed all course accessories, tee markers, signs, ropes, etc.
- Performed spring rolling of greens, tees, fairways, and intermediate rough, to settle freeze/thaw heaving.
- Performed minor turf repairs on greens, tees, and fairways from winter animal damage and/or tree work.
- Began limited mowing schedules on greens, tees, fairways, and rough.
- Initiated limited course maintenance and course set-up schedules.
- Performed initial marking of all hazards.
- Began spring broadleaf and pre-emergent herbicide applications on course rough.
- Performed spring broadleaf and pre-emergent herbicide applications on clubhouse areas.
- Completed initial spring fungicide and wetting agent applications on greens.
- Performed Dryject aerification of all putting greens.
- Performed recovery fraze mowing of many tee edges.
- Assisted stump removal contractor with cleanup and performed backfill.
- Snow and ice removal. (no this isn't a typo!)

A few April photos:

#18 4/5/18



#18 4/2/18



1st Greens mowing on 4/16



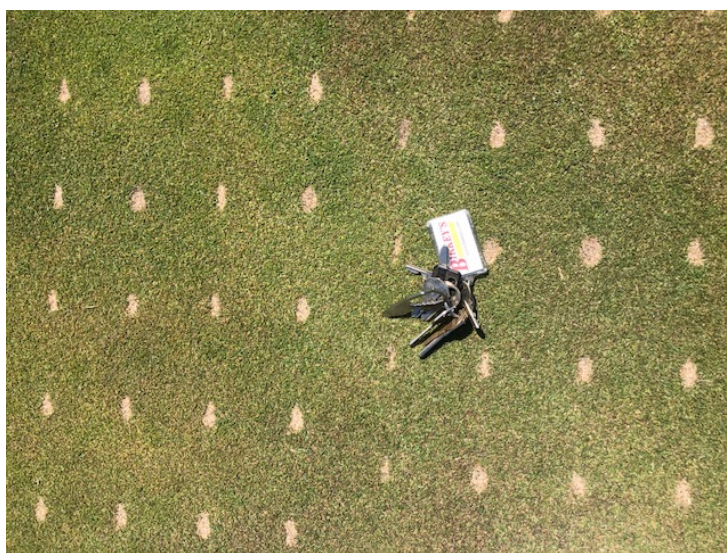
Recovery fraze mowing of tees



Dryject green aerifying 4/19/18



Dryject finished product same day



Stump removal in progress



Hole #14 on 4/26/18



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