



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 December.

Lincolnshire Fields
 Standard Summary Income Statement
 For the Two Months Ending December 31, 2019

Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY	Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget
REVENUES										
48	501	10%	1,627	3%	365	1,601	23%	2,277	16%	245,649
5,689	7,352	77%	3,918	145%	7,985	16,344	49%	5,874	136%	197,585
0	0	0%	(3)	0%	1,054	321	328%	318	331%	3,983
0	0	0%	0	0%	0	0	0%	0	0%	525
66,575	103,550	64%	102,729	65%	105,705	144,270	73%	131,637	80%	842,541
129,378	124,784	104%	131,126	99%	257,052	250,539	103%	250,192	103%	1,534,600
0	0	0%	50	0%	0	0	0%	50	0%	10,000
0	40	0%	0	0%	0	80	0%	0	0%	28,220
2,542	1,026	248%	1,026	248%	2,845	2,940	97%	2,940	97%	21,073
204,212	237,253	86%	240,473	85%	375,006	416,095	90%	393,288	95%	2,884,156
COST OF SALES										
5,505	6,919	80%	4,587	120%	7,075	13,662	52%	5,343	132%	147,200
22,012	28,083	78%	18,757	117%	36,382	44,264	82%	25,196	144%	319,416
27,517	35,002	79%	23,344	118%	43,456	57,926	75%	30,538	142%	466,616
TOTAL COGS										
97.1%	94.1%	103.2%	117.1%	82.9%	88.6%	83.6%	106.0%	91.0%	97.4%	74.5%
38.7%	34.6%	112.0%	26.8%	144.7%	38.7%	36.3%	106.8%	25.9%	149.4%	39.7%
PAYROLL										
26,682	23,815	112%	22,357	119%	52,489	54,438	96%	47,509	110%	439,231
5,185	5,889	88%	5,008	104%	10,674	11,752	91%	9,983	107%	125,586
39,378	36,333	108%	38,035	104%	72,901	69,046	106%	64,979	112%	477,859
0	0	0%	0	0%	0	0	0%	0	0%	64,122
16,640	21,704	77%	24,373	68%	35,003	43,285	81%	49,577	71%	270,123
87,885	87,742	100%	89,772	98%	171,067	178,521	96%	172,048	99%	1,376,901
OPERATING EXPENSES										
4,772	4,611	103%	5,154	93%	9,271	9,642	96%	12,348	75%	282,354
1,731	1,731	100%	1,731	100%	3,462	3,462	100%	3,462	100%	23,271
671	156	430%	163	413%	946	588	161%	685	138%	9,374
9,195	10,096	91%	9,438	97%	18,116	19,261	94%	17,480	104%	138,927
60	140	43%	35	171%	(135)	215	-63%	(745)	18%	23,299
43,609	44,390	98%	44,037	99%	82,175	83,743	98%	81,523	101%	528,262
60,038	61,123	98%	60,557	99%	113,835	116,911	97%	114,753	99%	1,005,486
175,440	183,867	95%	173,673	101%	328,358	353,358	93%	317,339	103%	2,849,003
28,772	53,386	54%	66,799	43%	46,648	62,736	74%	75,949	61%	35,154
FINANCING ACTIVITY										
(7,128)	(7,495)	95%	(7,993)	89%	(14,755)	(14,990)	98%	(15,089)	98%	(89,940)
(1,591)	(1,083)	147%	(945)	168%	(3,212)	(2,166)	148%	(1,744)	184%	(12,996)
24	0	0%	62	38%	44	0	0%	177	25%	0
(8,696)	(8,578)	101%	(8,875)	98%	(17,923)	(17,150)	104%	(16,657)	108%	(102,936)
OTHER INCOME (EXPENSE)										
44,299	44,822	99%	48,017	92%	89,754	89,718	100%	94,347	95%	544,876
(37,952)	(33,873)	112%	(32,714)	116%	(71,325)	(67,746)	105%	(65,427)	109%	(406,476)
6,347	10,949	58%	15,303	41%	18,429	21,972	84%	28,920	64%	138,400
26,424	55,757	47%	73,228	36%	47,154	67,552	70%	88,213	53%	70,618

Overview:

December was another busy month for LFCC hosting eighteen events and several catering orders but fewer events compared to prior years. Overall, we had a down month compared to December 2018 missing budgeted EBITDA as a result of underperforming revenues in Food and Beverage. Total revenues are projected to be down against budget for the month and prior year's December by approximately 17%. The team did a good job managing payroll and expenses which helped to offset the major miss in revenues.

During December the club hosted many private events and variety of special events to drive member participation. The club offered five traditional events; Santa Brunch, Ladies Cocktail Hour, Ladies Holiday Luncheon, Men's League Party and the Watch Party for Illini Basketball. We also continued with our fall / winter programming offering Wild Wednesdays, awesome specials on chicken wings and great drink specials. Friday nights we continued to offer Fiesta Fridays with Chef specialty nights thrown in every other week.

In early December we welcomed Sara Michael our new Director of Sales and Member Communication. She made an impact immediately by revamping the newsletter, as well email and Facebook communication. In addition, she spent time developing relationships within the community to help create additional membership and private event leads. Over the upcoming months our team is confident we will be able to add a substantial number of new members and private events.

Financial Performance:

Revenues:

For December the club experienced lower than anticipated revenues in several departments. As a result, the operating revenue missed by roughly \$33k or 14% to budget and \$36k to prior year or 15%. Food and Beverage experienced the largest miss with revenues totaling \$66.6k on a budget of \$103.6 and a prior year of \$102.7. Two factors have contributed to major decrease over prior year and to budget. First, the annual minimum spending was down roughly \$23k over prior year and \$13k to budget. This year more members chose the annual minimum spending plan resulting in less dollars unspent at the end of the year. Second, we experienced \$13.2k less in food and beverage sales than prior year. Overall, we slightly increased private event revenue over prior year; however, we continue to struggle to drive member usage in offseason. Golf also experienced a miss in revenues as a result of poor weather. The club essentially experienced no cart and greens fees for December putting us down \$500 to budget and \$1.6k to prior year. Even with the poor weather we experienced significant holiday shopping through the golf shop. As a result, we've exceeded prior year by nearly \$1.8k and was down slightly to budget. The Membership Department exceeded budget by roughly \$6k and was flat to prior year. Over the past month we've seen an increase in club interest which should result in more memberships for late winter and early spring.

Payroll:

Overall, total payroll and related expense was just over budget and down \$2k to prior year. We experienced a slight saving in the Golf department of roughly \$700 and the Admin departments contributed roughly \$5k in payroll savings. As a result of the poor weather we did not need any extra help managing the golf shop. The large Admin savings was due to the GM taking an extended leave of absence and lack of Membership Director for the first part of the month. Course and Grounds were over budget by roughly \$3k due to seasonal bonus that were paid out to the staff. These bonuses were intended to be paid out in November however, layoffs for the season were delayed a few weeks due to the weather. Overall the department is under \$2k YTD. Food & Beverage also experienced an overage of \$3k due to a delay in payment of annual bonuses. YTD the F&B department is over \$4k to budget. Overall for the year we have saved almost \$7.5k to budget and \$1k to prior year.

Expenses:

Each department did their best to minimize the miss in Revenues. All departments collectively saved roughly \$1.1k in expenses. The team did not experience any unforeseen expenses which put us flat to prior year. Cost of sales were over 4% to budget for Food and Beverage (39% COS) while golf was over by 3% to budget (97% COS) as a result of a closeout sale to move old merchandise.

Summary:

Overall, the club's financial position fell short for the month of December. Due to lower than projected annual F&B minimums, underwhelming F&B revenues and anticipated higher payroll resulted in a YTD EBITDA miss of roughly \$16k or 26%. With the closing of Stone Creek GC, the staff is working hard to reach out to potential members, outings and private events. We are also focused on offering an engaging social calendar to increase club participation and working on new methods to distribute event information to gain increased traction.

Key Performance Highlights:

- Membership Dues Revenue was roughly \$129.4k on a budget of \$124.8K and prior year of \$131.1k.
- Total revenues \$204.2k on budget of \$237.3k and prior year of \$240.5k.
- Payroll was flat to budget and under \$2k to prior year for the month of December.
- Expenses \$1.1K under budget and under \$500 to prior year for the month of December.
- COS finished at 97% for merchandise on budget of 94% and prior year of 117% and Food and Beverage will finish at 39% on budget of 35% and prior year of 27%.

Key Performance Issues:

- Weather: For most of December temperatures were below normal and we experienced higher than normal precipitation.

Key Actions to Drive Performance:

- Christmas merchandise sale: Promoted an aggressive sale to move merchandise. Sold about \$2k more than prior year.
- Changed email strategy: Sara, Membership Director, developed new email strategy to promote weekly / monthly events.
- Developed new format for newsletter: Sara revamped newsletter with goal to make it easier to read and retain the information.
- Community outreach: Sara, the Membership Director, contacted several business and organization to promote memberships and events.
- Developed social calendar for 1st quarter of year- Highlight new winter festival party, St. Patrick's Day, revamped Host with the Most

Company Initiatives:

- **Green to Tee:** Scott Werner, Golf Course Superintendent and Matt Whitsitt, Assistant Superintendent completed half of level one and will be working on the other half of the program in the offseason months.
- **Safety National:** Committee has been established and meets once a week.
- **True Service:** Planning another training session in the New Year.

Membership Count YTD:

	Budgeted	Current		Budgeted Adds	Current Adds	Budgeted Subs	Current Subs	Dues Add / Lost
Membership Category								
Equity	155	155				3	2	
Junior 35	46	43		1	1	1	2	
Junior 35-37	19	21				1		
Junior 38-39	16	14		1	1			
Honorary	38	39				1	1	
Social	86	88			1	3	3	
Dining	17	15					1	
Non Res	10	10				1	1	
U of I	4	4						
Total	391	389		2	3	10	10	

Membership Status as of December 31, 2019 (Sara Michael, Membership Director)

Sales:

- **New Membership**
 - Shane Allen Jr. Associate
 -

Marketing:

- **Promotions:** Working on the new game plan for memberships this year (2020)
- **Facebook:** Facebook needed a major clean up. I am working on designing a cleaner and more updated look.
- **Canva:** Designing and branding what LFCC will look like from here on out.
- **Instagram:** Setting up Instagram. Getting the buttons and various links set up
- Visited Keller Williams, Remax, McDonald Group, and Carle. Trying to build relationships.
- **Redesign Monthly Newsletter**

Member Relations:

- I'm currently trying to meet and connect with current members. I believe in building a relationship with all members and making sure they know how important they are to the club.

Other Services:

- Clean up social media
- Make posting schedule
- Redesign weekly Newsletter
- Promote member events
- Setting Up YPN Membership

January Expectations:

- Sign up 2 members
- Continued referrals from our great members
- Refresh our website
 1. Videos (Add videos we have currently and work on getting videos from each individual hole)
 2. Update positions and add bios
 3. Add tab for Events to link to various social media
 4. Add Social Media buttons
- Visit 6-8 businesses in Champaign to discuss opportunities to host golf outings, business meetings, private events and membership.
- Attend Young Professional Network Event

Golf Report: Rob Walls, Head Golf Professional

In December, the course saw 59 rounds of golf. The weather was cold throughout most of the month with a few days in the 40's. The heaviest trafficked day saw 21 players. In total, there was play on 6 of the 31 days. There was a fair amount of play, approximately 20 rounds, on the day after Christmas as we saw a short spike in temperatures that allowed the course to be played.

The golf department failed to reach budgeted revenue goals in December again. The budgeting was much more in line with forecasted revenues. The lack of traffic on the golf course led to cart fee revenue of \$48 versus a budget of \$305 for the month. There was no guest play recorded on a budget of \$195. These numbers are directly tied to rounds. Much like December 2018, we did not have enough play.

December merchandise sales were ahead of prior year but trailing budget. The lack of golf traffic was a deterrent. The department recognized higher inventory numbers and aggressively marked down aged inventory as the holidays approached. This resulted in a cost of goods around 100% for the month. This was expected in the budgeting and reflected in prior year actuals. For the month, merchandise sales were \$5,669 versus a budget of \$7,352 and prior year sales of \$3,918. We are continuing the sale into the month of January so cost of goods may run slightly higher again next month. The cost of goods numbers in November will help to alleviate the miss for the overall year.

Some additional notes regarding golf activity:

- The golf department has little flexibility in payroll as I am the only person working right now. There was no additional staff utilized in December.
- 2020 Golf Calendar is constructed and is ready for review in January. Golf committee meeting is scheduled for Wednesday, January 8th.
- A new assistant has been hired for the 2020 season! Matt Brownfield was interviewed twice in December and offered a position that he accepted. He grew up in Urbana, and we are excited to have him start in April.
- Lead generation and contact for 2020 outings is in process. All major outings from 2019 are confirmed for 2020.

Happy New Year! Hoping for better months ahead.

Grounds Recap: Scott Werner, Superintendent

The course closed December 10th due to freezing weather but re-opened on December 26th after a period of unseasonably mild weather. Not much outdoor work performed during the month, but we did complete a new deck on the bridge on #9.

December expenses are slightly over projections primarily due to the timing of several seasonal bonus payouts in payroll. November expenses and payroll had been under projections for the same reason.

Grounds notes for December:

Brush cleanup, one snow event, shop work on course accessories and equipment. Lost one full-time employee due to extended medical leave, so retained services of one seasonal employee on a part-time basis. Attended CIGCSA annual education meeting with both assistants.

Grounds projects during December:

- Performed regular leaf and debris cleanup in clubhouse areas.
- Continued regular course cleanup of brush and debris from storms and windy days.
- Continued repair and painting of all course accessories during bad weather.
- Continued cleaning, preventative maintenance, repair, and sharpening of mowing equipment.
- Re-wired office irrigation controls to correct a communication problem.
- Repaired several circle drive lights.
- Performed one snow removal and several ice removals during the month.

No photos for the month due to a computer problem.

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