



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 February.

Lincolnshire Fields
Standard Summary Income Statement
For the Four Months Ending February 29, 2020

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												
0	0	0%	0	0%	Green Fees & Cart Fees	365	1,900	19%	2,496	15%	245,649	228,006
455	3,099	16%	1,542	30%	Merchandise	9,904	20,343	49%	9,028	110%	197,565	178,618
550	770	71%	770	71%	Other Pro Shop	2,360	1,201	198%	1,198	197%	3,983	7,791
0	0	0%	0	0%	Range	0	0	0%	0	0%	525	845
19,714	32,545	61%	24,111	82%	Food and Beverage	152,640	208,077	73%	174,807	87%	842,541	721,497
125,682	124,075	101%	117,556	107%	Membership Dues	506,229	499,102	101%	485,384	104%	1,534,600	1,486,542
0	1,600	0%	1,970	0%	Membership Initiation Fees	0	1,600	0%	2,070	0%	10,000	8,517
0	40	0%	0	0%	Other Operating Revenues	0	160	0%	0	0%	28,220	28,040
701	760	92%	760	92%	Other G&A Income	5,292	6,790	78%	6,790	78%	21,073	17,448
147,103	162,890	90%	146,710	100%	TOTAL REVENUE	676,791	739,172	92%	681,773	99%	2,884,156	2,677,303
COST OF SALES												
53	1,802	3%	969	5%	Merchandise	8,484	16,264	52%	8,303	102%	147,200	133,428
11,826	13,782	86%	12,863	92%	Food & Beverage	57,924	71,852	81%	48,685	119%	319,416	276,075
11,879	15,583	76%	13,832	86%	TOTAL COGS	66,408	88,116	75%	56,988	117%	466,616	409,503
11.6%	58.1%	20.0%	62.9%	18.5%	COGS - Merchandise %	85.7%	79.9%	107.1%	92.0%	93.1%	74.5%	841.2%
65.6%	42.6%	154.2%	56.6%	115.9%	COGS - Food %	42.3%	38.9%	108.7%	35.5%	119.2%	39.7%	516.8%
PAYROLL												
24,573	23,122	106%	17,511	140%	Course and Grounds	102,075	101,395	101%	87,930	116%	439,231	420,287
5,036	5,678	89%	4,798	105%	Pro Shop	21,045	23,557	89%	19,819	106%	125,566	100,284
30,490	29,901	102%	30,277	101%	Food and Beverage	139,263	131,960	106%	120,963	115%	477,859	498,227
0	0	0%	0	0%	Other Operating Departments	0	0	0%	0	0%	64,122	59,481
25,273	24,460	103%	25,357	100%	General and Administrative	85,579	90,470	95%	99,004	86%	270,123	280,884
85,371	83,162	103%	77,943	110%	TOTAL PAYROLL	347,961	347,402	100%	327,716	106%	1,376,901	1,359,163
OPERATING EXPENSES												
6,484	6,010	108%	15,292	42%	Course and Grounds	20,815	20,205	103%	25,961	89%	282,354	288,110
1,731	1,731	100%	1,731	100%	Carts, Range, Starters, Etc.	6,924	6,924	100%	6,924	100%	23,271	25,106
811	580	140%	696	116%	Pro Shop	1,838	1,351	136%	1,599	115%	9,374	9,964
7,072	6,335	112%	6,369	111%	Food and Beverage	35,571	31,933	112%	31,898	112%	138,927	149,532
57	80	71%	52	109%	Other Operating Departments	(26)	370	-7%	(646)	4%	23,299	21,794
32,696	40,877	80%	33,224	98%	General and Administrative	168,343	175,925	96%	161,144	104%	528,262	497,979
48,850	55,614	88%	57,304	85%	TOTAL OPERATING EXPENSES	233,465	236,708	99%	226,879	103%	1,005,486	992,486
146,100	154,359	95%	149,140	98%	TOTAL EXPENSES	647,833	672,226	96%	611,584	106%	2,849,003	2,761,152
1,002	8,531	12%	(2,430)	-41%	EBITDA	28,958	66,946	43%	70,189	41%	35,154	(83,849)
FINANCING ACTIVITY												
(6,579)	(7,495)	88%	(7,828)	84%	Interest Expense - Debt	(28,685)	(29,980)	96%	(31,789)	90%	(89,940)	(85,487)
(1,531)	(1,083)	141%	(897)	171%	Interest Expense - Leases	(6,304)	(4,332)	146%	(3,557)	177%	(12,996)	(17,910)
20	0	0%	0	0%	Interest Income	84	0	0%	284	32%	0	431
(8,090)	(8,578)	94%	(8,725)	93%	TOTAL FINANCING ACTIVITY	(34,904)	(34,312)	102%	(35,063)	100%	(102,936)	(102,967)
OTHER INCOME (EXPENSE)												
44,337	44,448	100%	45,762	97%	Dues - Capital Improvement	178,955	178,801	100%	183,899	97%	544,876	561,002
(36,036)	(33,873)	106%	(33,372)	108%	Depreciation & Amortization	(144,144)	(135,492)	106%	(133,489)	108%	(406,476)	(425,642)
8,302	10,575	79%	12,390	67%	TOTAL OTHER INCOME (EXPENSE)	34,811	43,309	80%	50,410	69%	138,400	135,360
1,214	10,528	12%	1,234	98%	NET INCOME	28,865	75,943	38%	85,537	34%	70,618	(51,456)

Overview:

Champaign experienced cold winter through the month of February resulting in less member usage than in years past. Food and Beverage revenues continue to be the club's major hurdle missing budget by roughly 40% for the month and down 27% year to date. Payroll was flat to budget while expenses were significantly under budget and prior year for the month of February. A significant focus was placed on hiring and training for the front of house service staff. In addition, the team worked on a new strategic plan for our Summer Food and Beverage operation. Overall, much was accomplished to prepare for the upcoming season.

Similar winter programming continued through the month of February. The club offered Wild Wednesdays, providing patrons discounts on chicken wings and drinks. The kid's room continued to be a great hit on Wednesday nights, and we extended the offering to our Valentines Dinner with the addition of babysitting service. The King of Clubs on Thursday nights alternated between Chicken and Shrimp nights. Friday nights we offered a variety of options from Fiesta Fridays to Prime Rib Night to Lent fish specials. Unfortunately, we had to cancel two events in February. Ladies night was canceled due to weather and the Winter Informal was canceled to low participation. The staff was anticipating a similar night to Harvest Beer Fest which generated significant F&B revenue.

The momentum continued in Golf and Membership through the month of February. Rob Walls, Head Golf Professional, was able to secure two new large golf outings totaling six new outings for the year. These outings will provide the club roughly \$50k in unexpected income and exposure, helping to accelerate membership growth. Sara has also been very busy adding ten new members in February. Her experience has proved invaluable, driving twenty new memberships YTD and has several more interested to join in March. These added events and memberships will assist in making up for miss in F&B revenues through the first quarter.

Financial Performance:

Revenues:

Great momentum has been created with outstanding membership sales through the first third of the year. Traditionally, the club onboards an average of five new members through this time period; however, Sara has been able to obtain twenty new members YTD and has several more interested. The membership dues line continues to outperform budget / prior year and shows no signs of stopping. At current pace of member additions and attrition the club should see large gains in this department by year end. Dues were \$1.6k above budget for February and year to date are roughly \$7k ahead of budget. If trend continues, we will realize increased dues revenue by year end.

Reduced usage has caused the club to miss overall revenue budget by 10% for the month of February and is currently down 8% for the year. Food and Beverage continues to face the greatest challenge missing the department's budget by roughly \$12.8k in February and is down YTD by \$55.4k. With the bitter cold wet weather, the Golf Department also struggled to hit budget. Most of the golf revenue was generated by shipping charges with a small portion driven by merchandise sales. Overall, revenues totaled \$147.1k on a budget of 162.9 and prior year of \$146.7k. YTD revenues are down 8% to budget and down 1% to prior year with much of the shortfall coming from Food & Beverage a la carte sales and small portion to golf merchandise.

Payroll:

Payroll for the month was over budget by \$2.1k while YTD remains flat to budget. The team collectively overspent 3% in payroll expenses which was roughly 10% higher than prior year. As expected, the Grounds department was slightly over due to the continued long-term care coverage for one employee that's out on medical leave. All other departments were at or below budget for the month of February. YTD the staff has done their best to manage the budget but have not managed the flow through expectations. One factor that has increased payroll was several individuals decided to accept benefits, increasing payroll related costs. Currently, we are looking into methods where we can provide additional savings to ensure a better flow through to the bottom line.

Expenses:

Expenses were significantly under budget and prior year. Majority of savings came from the admin department. Utilities and computer supplies were much lower than estimated (\$4.5k under budget) and we received a sizable credit from the cleaning company (\$2.2K) providing a \$8.1k savings for the department. There were slight overages in Maintenance (\$500), Golf (\$230 Shipping Charges) and F&B (\$740 repairs to beer taps & travel to Kemper conference). Overall, the club saved \$6.8 in operating expenses in February and year to date all departments have combined to save 1% to budget. We've implemented stringent controls to create further savings to hit flow through expectations.

Summary:

Overall, the club has work to do catch up to budgeted EBITDA as we are down roughly 57% to budget YTD. Membership and outings will help to make up ground throughout the year. The team will take a hard look at where we can manage payroll and expense to help us exceed expectations, manage the flow through and ensure we hit budget. We are hopeful the weather improves for March, so we increase patronage and club usage.

Key Performance Highlights:

- Membership Dues Revenue was roughly \$125.7k on a budget of \$124K and prior year of \$117.6k.
- Total revenues \$147.1k on budget of \$162.9k and prior year of \$146.7k.
- Payroll was over budget by \$2.1k and over \$7.4 k to prior year for the month of February.
- Expenses \$6.8K under budget and under \$8.5k to prior year for the month of February.
- COS finished at 12% for merchandise on budget of 58% and prior year of 63% and Food and Beverage will finish at 66% on budget of 43% and prior year of 57%.

Key Performance Issues:

- Canceled Events: The Winter Informal was scheduled for February 22nd but was cancelled due to low reservations. One week before the scheduled event there were less than 15 member reservations for the premier winter social event. We've analyzed our marketing strategy and will make additional changes to promote future events. Also, the Ladies Night was cancelled due to the winter storm. The forecasted revenue miss was roughly \$5k for both events.

Key Actions to Drive Performance:

- Closing of Stone Creek
 - Golf Outings: Secured an additional two new outings for 2020 totaling six new outings for the year. Planned revenues for these events should exceed \$50k.
- Membership: Sara has been very proactive in cultivating leads and referrals, leading to 16 new members YTD. The pipeline is filled with additional prospects which will drive future sales in the upcoming months. Plan to increase IF fees as the year progresses.
- Calendar of Events: The team has developed a social calendar for the year to be presented at the next social committee meeting and published after approval. Several new events have been added to the robust calendar. The yearly calendar was developed to increase participation and advanced reservations for events.
- Stingray Strategy: Management team has finalized a summer food and beverage plan to help increase quality, improve consistency and expand operational hours of all food and beverage outlets.
- Capital Projects: The management team and house committee have developed a capital improvement priority list for the facility. Several projects are being researched for viability. Bids for new pool furniture and clubhouse improvements are being analyzed. Lastly, computer upgrades needed to enhance security and functions are planned to be finished in the next couple of weeks.
- Attended KSLC and obtained new ideas through breakout sessions and guest speakers.

Membership Count YTD:

	Budgeted	Current		Budgeted Adds	Current Adds	Budgeted Subs	Current Subs	Dues Add / Lost
Membership Category								
Equity	155	156		1	4	4	6	
Junior 35	45	43		2	7	3	5	
Junior 35-37	19	22		1	1	2	1	
Junior 38-39	16	16		1	2	0	0	
Honorary	38	37		0	0	1	2	
Social	84	91		0	5	5	5	
Dining	16	16		0	1	1	2	
Non Res	11	10		1	0	1	1	
U of I	4	4						
Total	388	395		6	20	15	22	

Membership Status as of 2.29.20: Sara Michael, Membership Director

Sales:

- **New Membership**
 - 5 Jr
 - 3 Equity
 - 2 Social

Marketing:

- **Promotions:** continuing to partner with Realtors and Promote the Club
- **Facebook:** Consistently posting on Facebook. Working on inviting people to join both groups. Creating events and building content.
- **Canva:** Designing and branding what LFCC will look like from here on out. Finished setting up Monthly Newsletter design and weekly updates.
- **Instagram:** Working on the buttons and cross posting on Facebook.

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.
- Started Member Spotlight in Newsletter and working on a Board
- Building up the Lady's night and working with that group of the membership.
- Working on the referral program and following up with all member leads

Other Services:

- Working on the App
- Push Notifications
- Membership Spotlight Post
- Promote member events

March Expectations:

- Sign up 5 members
- Continued working referrals
- Refresh our website
 1. Add tab for Events to link to various social media
 2. Add Social Media buttons

Still working on this, I am going to have to reformat all the current content and zip the files so we can have more media storage on the webpage*

- March 13th I am hosting a styled shoot for the ballroom to improve marketing images
- Visit 6-8 businesses in Champaign to discuss opportunities to host golf outings, business meetings, private events and membership.
- Attend Chamber Events
- Attend some of the fun events at the club to meet more members.

Wins

We are currently featured in several houses that are listed in the area as an amenity of the neighborhood. I have made a lot of progress with the realtors in this area to focus on growing the club and getting our information out in the neighborhoods!

Golf Report: Rob Walls, Head Golf Professional

In February the course saw no play. There were cold temperatures and wet conditions for much of the month and the golf course did not open. This is consistent with February of last year.

For the month, merchandise sales were \$423.75 versus a budget of \$3,099. Special orders accounted for \$101 of the total sales for the month in comparison to \$1,500 in February of 2019. The lack of traffic through the club house has severely limited sales this off-season. Cost of goods were at 5% for the month as we realized some early pay discounts that were not factored into the receiving cost. This discounting always hits early in the season and levels out as the season continues. The cost of goods number was affected in the same way in 2019, but because sales were much higher, the discounts did not have as great an effect. The weather has begun to turn, and we will expect a better month in March.

Some additional notes regarding golf activity:

- The golf department has little flexibility in payroll as I am the only person working right now.
- 2020 Golf Calendar was finalized and approved.
- 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.
- An addition shop assistant has been hired from Stone Creek. Max Harmon is interested in a career in golf and will be a valuable addition to our golfing team. We look forward to growing Max into a valuable asset moving forward.
- Have added five new outside golf events. These outings offer great revenue potential at around \$10k per event.

Grounds Recap: Scott Werner, Superintendent

The month of February continued in a mostly winter weather pattern and prevented any consideration of opening the golf course. A few snow and rain events continued the winter trend of abundant if not excessive moisture. February expenses are almost right on budget, even though payroll continues to run a little high. Payroll continues to be impacted by the loss of one of our full-time staff since early December to sick leave. This will continue to impact our payroll into the spring as we will have to cover the lost full-time labor with seasonal labor. The year to date overall numbers for Grounds are right on budget.

Grounds notes for February:

Outdoor work was again limited by both wet conditions and lack of frozen ground. Limited staff continued on tree work when possible and snow and ice removals as needed. Indoor work continued on equipment and some course accessories.

Grounds projects during February:

- Performed regular leaf and debris cleanup in clubhouse areas.
- Completed repair and renewal of bronze course tee signs and yardage markers.
- Continued cleaning, preventative maintenance, repair, and sharpening of mowing equipment.
- Repaired and repainted several outdoor tables from Stingrays/Pool areas.
- Performed several snow and ice removals during the month.
- Completed replacement of approximately 20 deck boards on #3 bridge – utilizing salvaged boards from #9 bridge deck project.
- Attempted to diagnose power problem to circle drive lights before turning over to electrical contractor.
- Assisted tree removal contractor with removal of 5 more trees and hauled brush from course when possible.
- Worked with irrigation technician to develop a plan to repair a cracked pipe on a bridge crossing that was discovered during system blowout.

February photos:



Tee Signs and Yardage Plates – Before and After



Course Photos – Same Month



#3 Bridge Repairs

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