



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

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

Lincolnshire Fields Standard Summary Income Statement For the Four Months Ending February 28, 2018											
MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget
REVENUES											
0	300	0%	1,363	0%	Green Fees & Cart Fees	3,018	3,900	77%	5,023	60%	266,920
1,676	1,250	134%	2,091	80%	Merchandise	12,168	10,650	114%	19,344	63%	190,050
772	215	359%	315	245%	Other Pro Shop	1,126	835	135%	(134)	-839%	2,425
0	0	#DIV/0!	0	#DIV/0!	Range	45	100	45%	93	48%	1,620
27,560	31,715	87%	27,215	101%	Food and Beverage	190,011	193,493	98%	170,550	111%	959,513
0	140	0%	0	#DIV/0!	Food and Beverage Gratuity Income	0	560	0%	3,558	0%	1,680
111,821	112,433	99%	0	#DIV/0!	Membership Dues	461,487	423,782	109%	366,682	126%	1,379,822
0	8,000	0%	44,000	0%	Membership Initiation Fees	0	40,000	0%	44,100	0%	75,600
56	35	160%	8	700%	Other Operating Revenues	232	165	141%	107	217%	20,905
3,723	1,966	189%	1,120	332%	Other G&A Income	11,761	10,404	113%	3,124	376%	27,706
145,608	156,054	93%	76,112	191%	TOTAL REVENUE	679,849	683,888	99%	612,445	111%	2,926,241
COST OF SALES											
613	938	65%	7,091	9%	Merchandise	10,470	7,988	131%	17,263	61%	142,538
12,054	11,259	107%	12,539	96%	Food & Beverage	75,430	72,165	105%	72,884	103%	362,419
12,667	12,197	104%	19,630	65%	TOTAL COGS	85,901	80,153	107%	90,147	95%	504,957
36.6%	75.0%	48.7%	339.1%	10.8%	COGS - Merchandise %	86.0%	75.0%	114.7%	89.2%	96.4%	75.0%
46.2%	38.7%	119.3%	46.1%	100.2%	COGS - Food %	45.3%	40.6%	111.5%	45.9%	98.7%	40.0%
PAYROLL											
17,884	22,156	81%	18,726	96%	Course and Grounds	95,750	99,338	96%	93,303	103%	443,393
4,414	5,069	87%	3,207	138%	Pro Shop	21,687	23,955	91%	23,623	92%	138,255
25,833	33,937	76%	23,638	109%	Food and Beverage	114,155	141,115	81%	110,665	103%	458,788
77	91	84%	88	87%	Other Operating Departments	342	391	87%	427	80%	72,199
18,765	24,460	77%	24,541	76%	General and Administrative	77,528	85,770	90%	85,944	90%	277,607
66,972	85,713	78%	70,199	95%	TOTAL PAYROLL	309,462	350,568	88%	313,963	99%	1,390,242
OPERATING EXPENSES											
6,632	5,533	120%	5,744	115%	Course and Grounds	25,639	29,211	88%	27,634	93%	296,763
0	2,162	0%	2,162	0%	Carts, Range, Starters, Etc.	4,324	8,648	50%	8,310	52%	28,944
742	4,078	18%	2,348	32%	Pro Shop	(1,362)	4,625	-29%	5,004	-27%	18,457
7,134	10,182	70%	6,900	103%	Food and Beverage	44,819	45,434	99%	33,956	132%	157,346
78	80	97%	7,352	1%	Other Operating Departments	604	367	165%	8,127	7%	33,264
32,069	28,932	111%	29,887	107%	General and Administrative	136,263	119,092	114%	131,677	103%	386,691
46,654	50,966	92%	54,393	86%	TOTAL OPERATING EXPENSES	210,287	207,377	101%	214,709	98%	921,466
126,292	148,876	85%	144,223	88%	TOTAL EXPENSES	605,650	638,098	95%	618,818	98%	2,816,665
19,316	7,178	269%	(68,111)	-28%	EBITDA	74,199	45,790	162%	(6,373)	-1164%	109,576
(9,000)	(9,000)	100%	0	#DIV/0!	MANAGEMENT FEES	(36,000)	(36,000)	100%	0	#DIV/0!	(108,000)
FINANCING ACTIVITY											
(8,431)	(10,766)	78%	(10,282)	82%	Interest Expense - Debt	(35,957)	(43,114)	83%	(40,978)	88%	(121,248)
(241)	0	#DIV/0!	(483)	50%	Interest Expense - Leases	(990)	0	#DIV/0!	(2,134)	46%	0
46	84	55%	84	54%	Interest Income	203	189	107%	188	108%	616
(8,626)	(10,682)	81%	(10,681)	81%	TOTAL FINANCING ACTIVITY	(36,745)	(42,925)	86%	(42,924)	86%	(120,632)
OTHER INCOME (EXPENSE)											
46,265	35,200	131%	35,200	131%	Dues - Capital Improvement	192,449	170,984	113%	170,984	113%	608,123
(32,714)	(31,671)	103%	(31,791)	103%	Depreciation & Amortization	(130,855)	(126,684)	103%	(127,166)	103%	(380,052)
0	0	#DIV/0!	0	#DIV/0!	Gain/(Loss) On Disposal Of Assets	0	0	#DIV/0!	0	#DIV/0!	0
13,551	3,529	384%	3,409	389%	TOTAL OTHER INCOME (EXPENSE)	61,594	44,300	139%	43,818	141%	228,071
15,240	(8,975)	-170%	(75,384)	-20%	NET INCOME	63,048	11,165	565%	(5,478)	-1151%	109,015

Overview:

Lincolnshire Fields had its fourth consecutive month out pacing budget. We exceeded budgeted EBITDA by roughly \$12k and Net Income by \$24k. Because of February's financial success, we have outpaced budgeted EBITDA for the year by just over \$28K and Net Income by \$52K. These outcomes are a result of the team's extreme ownership of their departments, keeping expenses in check and doing a great job managing staffing levels. On top of driving financial success during February, the team focused on crafting programming for the remainder of year as well as developed staffing / tactical plans to open the seasonal outlets.

Financial Performance:

Revenues: Revenues for the month of February were down 7% or \$10.5K to plan. Our misses were focused in Membership and Food and Beverage departments. The membership department missed by \$7k as a result of not collecting initiation fees due to the current membership promotion (Budgeted for \$8K). Food and Beverage was down an additional \$4k to budget however, the department was over prior year. Rob did an excellent job exceeding revenues in the golf, besting budget by about \$700. Year to date we are slightly down to budget in all major revenue streams however, significantly over prior year. Our focus for the rest of Q2 is driving the topline higher through great programming, enticing food special, driving sign-ups for banquets and increasing membership sales.

Payroll: The team's major strength continues to be monitoring and adjusting staffing levels based on membership usage. The team had a firm understanding going into February that we would miss Membership revenues and knew we needed to flex. Collectively, the team was able to save roughly \$19K or 22% in total payroll and related. G/A saved roughly \$6k, Food and Beverage Department saved \$8K, while Course and Grounds saved \$4.5K. Food and Beverage achieved this outcome as a result of focusing on improved scheduling while the Course and Grounds have had less staff than usual due to health and attrition issues.

Expenses: Overall, we were able to save about 8% or \$4.5k in operating expenses and 14% over prior year. Golf provided the largest contribution saving \$5.5K to budget. The two major line items that provided the most saving was cart lease (credit received for new cart lease) and education expense for PGA Show which Rob did not attend. Food and Beverage saved just over by \$3K while Admin was over about \$2k, as a result of a reconciliation performed on our sewer utility account. Year to date we are about \$3K over budget but ahead of prior year by \$4.5K.

Summary: The momentum continued from the first quarter producing great financial result for February. Currently, we are 162% ahead of budgeted EBITDA and have achieved 68% of budgeted EBITDA for the year. The team's extreme ownership in their departments have been the key to driving the overall success. Improving staffing efficiencies and leveraging KemperSports partnerships have allowed us to regulate our controlled expenses. Our largest hurdle moving forward will be consistent growth to the membership. Our goal this year is approximately twenty-five net members and now we currently sit at negative eleven memberships. However, the momentum has been very positive with increased member usage as well as a huge increase in member referrals. All indications point to another positive month in March and strong end to quarter two.

Key Performance Highlights:

- ❖ Saved \$19K in payroll expenses for the month and \$41k YTD
- ❖ Golf Department saved \$5.5k OPEX helping the team save \$4.5K month.
- ❖ Matt Flottmann, Service Director, created three key focuses for the month to enhance service and provide more structured lineups. This month's focuses are consistency, table side experience and upselling.
- ❖ We decided to partner with KE Camps to operate our Junior Sports Camps this summer. We will run four-week long camps.
- ❖ Attended KSLC and obtained new ideas through breakout sessions and guest speakers.
- ❖ Developing partnerships with local colleges for employment and other strategic alliances.

Key Performance Issues:

- ❖ Membership: Our largest opportunity is improving our membership counts as we are down eleven net members fiscal year to date. We have developed an aggressive sales promotion starting March 1 which will be heavily focused on a membership referral program. Our goal by the end of March is to be net 0 members for the year.
- ❖ Cost of Goods continue to be over budget. We are taking necessary steps to streamline our menus and ordering to ensure proper cost of goods margin. Matt has analyzed beverage pricing to ensure proper margins.
- ❖ Staffing: Continue to look for qualified applicants to join our staff in the following departments; Kitchen, Front of House (servers, bartenders & bussers), Grounds, Pool Manager and Lifeguards. Champaign is a very competitive market for qualified individuals. Over the past few weeks we have developed relationships with career consults at local colleges and universities which will help to grow our pool of applicants.

Key Actions to Drive Performance:

- ❖ Created Membership Madness collateral and marketing plan- created posters and referral materials.
- ❖ Continue to move forward with Strategic Planning Sessions with staff and KemperSports management. Develop vision for the club to better strategize improvements and directions for each department.
- ❖ Launched new dining menu the second week of February.
- ❖ Planned calendar events through September.
- ❖ Continue to review KemperSports policy and procedures manual to review best practices.
- ❖ Hired Steve Tratnik as our new custodian which will be replacing Service Master. This will provide us enhanced service for maintaining the clubhouse. We will now have a dedicated person to clean and repair items around the club. Steve comes with over 25 years of experience and will start April 9th.

- ❖ Implemented Jonas training action items- completed the following;
 - **Payroll:**
 1. Assign users that are no longer at the club to group – INACTIVE.
 2. Module placed on skeleton.
 3. Restrict access to categories (POS) to just accounting.
 - **Club Management:**
 1. Item Groups eliminate not been used.
 2. Transfer member inquiries to history kept for the last 7 years. (never been done)
Aging report is quicker.
 - **Fee Billing Scheduling:**
 1. Fee billing where scattered but, delete a lot of different fee scheduling from Members not been charges or used.
 2. All members fee billing changed to Operating dues (line1) in Jonas and Capital dues (2) for easier reporting.
 3. Setup interest code on all fee schedules, for late payment. (none where setup)
 4. Minimum Billing dates corrected per quarter for the current year.
Member reporting is quicker and easier to read.
 - **ACH (PAP) Module:**

Module cancelled - Bank Champaign unable to provide file for upload in Jonas.
 - **Account Payable:**
 1. Assign vendors that are no longer at the club to group – INACTIVE.
 2. Transfer Vendor inquiries to history kept for the last 7 years. (never been done)
 3. Update active vendor terms.
 - **Accounting:** Accounting periods inactive (never been done).
 - **Golf Shop:**
 1. Applied setting to allow tee sheet to talk to POS increasing efficiency
 2. Activated quantity discounting
 - **Food & Beverage:**
 1. Quick menu design
 2. Understand the process to evaluate best and worst products

Membership Count:

	Current	Budgeted		Adds	Subs	Dues Add / Lost
Membership Category						
1/2 Junior	21	23		1	1	0
3/4 Junior	7	3				
3/4 junior ass.	43	63		1	4	(728.40)
Equity	163	170		1	4	(1,821.00)
Honorary	40	41			1	(303.50)
Honorary social	3					
Social	86	85		1	5	(1,246.00)
Dining	27	26			2	(226.00)
Non-Res	6	5				
U of I	6	6				
Total	402	422		6	17	(4,324.90)

Membership Highlights:

(Stephen Dunn Progress Report)

Overview

- ❖ 3 new members, 1 resignation,
- ❖ -6.5 net equity memberships / 25 goal for Membership Madness
- ❖ Total club membership = 402
- ❖ 0 out of the 3 membership sales this month came from LFCC Referrals.

Sales & Marketing:

- ❖ Prospect Meetings: Attended 3 prospect meetings with 7 potential members. Sold 1 new membership to Dave Janson, President of SFM. I anticipate he will be beneficial in bring further prospects and attention to the club. Sold 1 new membership to Ron Hoyne. He's been a member here before and I think he will be a good advocate out in the community for us.
- ❖ Instagram: Created Instagram account for LFCC. Instagram account will be linked to LFCC Public Facebook page. Instagram will allow us to attract a new audience and benefit from linked postings to multiple social media outlets.
- ❖ Winter Promo: Waive Initiation Fee
- ❖ In Process: Carle Hospital Meeting, Realtors
- ❖ Swing into Spring: Loyalty Program- launching 3/1. Developed marketing and tracking materials

Member Relations:

- ❖ Have gotten to know a few of the members better. Getting more comfortable with talking to some of them. Hopefully they will start feeling comfortable enough to start referring their friends to me.
- ❖ Dave Keeling, Brad Kindelberger, Gary Cling will be good resources for member referrals, among other members.

Other Services:

- ❖ RSMD Meeting: Met with Regional Sales and Marketing Director on 1/31 to review KemperSports Caddy and Center of Excellence. Activated Instagram.
- ❖ Completed March Newsletter

Restaurant Service Focus (Matt Flottmann):

Consistency

- ❖ Implement uniform service guidelines, explaining what exactly good service should look like: inform, role play, shadow servers, and provide feedback/suggestions for improvement
- ❖ Convey the importance of addressing and using names of all members; to the customer everything matters
- ❖ Monitor the use of member names from every employee; educate accordingly
- ❖ Goals for improvement given daily at pre-shift meetings

Provide a Tableside Experience

- ❖ Outline what we expect out of servers' tableside interactions; properly addressing members and communicating their excitement for menu items, limited offerings, drinks, etc.
- ❖ Explain that servers' positive attitudes in providing an experience can result in increased revenue and gratuities
- ❖ Use role play with staffers to ensure their understanding of tableside interactions; creating a better dining experience for our members and guests
- ❖ Shadow servers and share my findings on what is done well and what can be improved upon

Increase Upselling/Suggestive Selling

- ❖ Educate staff on all our offerings (food, beer, wine, etc.); so, they can better understand member preferences and make valid suggestions; increasing sales while remaining genuine, helpful and friendly
- ❖ Implement rewards programs for service staff; rewarding those who can sell the most desserts, appetizers, steaks, etc.
- ❖ Creating social media posts with pictures of newly introduced items, limited offerings, etc. to entice those who take advantage of our social media outlets

Course & Grounds:

Weather: February saw more precipitation than the average year. We experience about 4 more inches of rain than usual resulting in flooding and no chance of play for the month. Temperature were about average for the month. We experienced couple warming trends but that came with rain.

Course & Grounds:

- ❖ Continued assistance with tree removal project, and successfully felled the last of 78 trees.
- ❖ Hauled brush from tree removal whenever ground conditions permitted.
- ❖ Burned the brush pile once, in between rain and wind.
- ❖ Began the process of flood cleanup, with much raking of debris into piles for later pickup.
- ❖ Completed repair and grinding of all reel type mowers.
- ❖ Performed “spring cleaning” of maintenance office and lunch/locker room.
- ❖ Performed leaf and debris cleanup around clubhouse areas when weather permitted.
- ❖ Snow and ice removal.



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