



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

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

Lincolnshire Fields Standard Summary Income Statement For the Nine Months Ending July 31, 2018											
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
<b>REVENUES</b>											
43,143	42,435	102%	37,302	115%	130,667	145,515	90%	127,269	103%	266,020	242,154
29,388	22,000	134%	13,062	225%	116,207	105,550	110%	102,700	113%	190,050	193,737
3,239	225	1440%	189	1714%	5,683	1,970	286%	1,539	369%	2,425	10,334
350	325	108%	310	113%	848	845	77%	803	81%	1,620	1,551
108,201	133,815	81%	127,389	85%	616,780	705,168	87%	618,223	100%	959,513	805,309
0	140	0%	0	0%	0	1,200	0%	3,558	0%	1,800	0
121,080	117,172	103%	110,179	110%	1,054,549	1,005,195	105%	1,088,234	97%	1,379,822	1,418,729
0	8,500	0%	2,400	0%	9,000	73,050	12%	17,489	51%	75,600	15,000
5,000	3,650	139%	3,567	142%	21,782	18,875	119%	16,358	133%	20,905	23,801
5,035	2,808	179%	848	594%	39,407	22,538	174%	11,935	330%	27,708	47,833
<b>315,545</b>	<b>331,070</b>	<b>95%</b>	<b>295,364</b>	<b>107%</b>	<b>1,994,723</b>	<b>2,080,066</b>	<b>96%</b>	<b>1,986,198</b>	<b>100%</b>	<b>2,926,241</b>	<b>2,758,449</b>
<b>TOTAL REVENUE</b>											
<b>COST OF SALES</b>											
23,765	16,500	144%	7,738	307%	60,697	79,163	77%	79,394	115%	142,538	145,538
35,717	53,078	67%	52,787	68%	233,679	266,914	88%	258,337	91%	382,419	305,522
<b>59,482</b>	<b>70,178</b>	<b>85%</b>	<b>60,506</b>	<b>98%</b>	<b>324,376</b>	<b>346,077</b>	<b>94%</b>	<b>334,601</b>	<b>97%</b>	<b>504,957</b>	<b>454,061</b>
<b>TOTAL COGS</b>											
80.8%	75.0%	107.8%	58.1%	136.8%	78.0%	75.0%	104.1%	76.1%	102.5%	75.0%	88.3%
34.1%	41.2%	82.7%	43.8%	77.9%	41.3%	40.2%	102.6%	44.9%	92.0%	40.0%	49.2%
<b>PAYROLL</b>											
40,132	50,098	80%	39,271	102%	272,198	309,698	89%	282,332	104%	443,303	405,334
14,359	17,898	81%	14,142	102%	78,287	95,737	82%	72,866	107%	138,255	120,623
50,228	43,199	116%	48,091	105%	337,677	340,230	99%	292,387	115%	468,788	465,325
19,676	17,928	110%	20,850	94%	50,138	52,570	95%	43,911	114%	72,199	69,459
24,158	23,968	101%	10,409	232%	197,823	206,189	96%	163,241	121%	277,807	248,954
<b>148,553</b>	<b>152,921</b>	<b>97%</b>	<b>130,763</b>	<b>114%</b>	<b>936,120</b>	<b>1,004,622</b>	<b>93%</b>	<b>834,737</b>	<b>112%</b>	<b>1,390,242</b>	<b>1,309,696</b>
<b>TOTAL PAYROLL</b>											
<b>OPERATING EXPENSES</b>											
48,279	42,050	115%	51,614	94%	207,656	206,055	101%	224,761	92%	296,763	317,103
2,511	2,162	130%	2,162	130%	13,461	22,158	61%	19,123	70%	28,944	21,567
3,093	1,695	182%	993	346%	9,096	13,136	69%	9,577	95%	18,457	14,519
9,889	18,751	53%	18,123	55%	100,078	119,399	84%	100,938	94%	157,346	146,234
4,123	3,379	122%	3,218	128%	15,443	27,320	56%	31,094	49%	33,294	27,050
33,400	37,852	89%	52,442	64%	302,308	299,338	104%	339,057	90%	389,691	439,841
<b>101,595</b>	<b>105,700</b>	<b>96%</b>	<b>128,452</b>	<b>79%</b>	<b>651,039</b>	<b>677,407</b>	<b>96%</b>	<b>727,549</b>	<b>89%</b>	<b>921,466</b>	<b>965,315</b>
<b>TOTAL OPERATING EXPENSES</b>											
<b>309,631</b>	<b>328,797</b>	<b>94%</b>	<b>319,721</b>	<b>97%</b>	<b>1,911,535</b>	<b>2,028,106</b>	<b>94%</b>	<b>1,896,887</b>	<b>101%</b>	<b>2,816,665</b>	<b>2,729,071</b>
<b>TOTAL EXPENSES</b>											
5,914	2,272	260%	(24,357)	-24%	83,188	51,961	160%	89,311	93%	109,576	29,378
<b>EBITDA</b>											
(9,000)	(9,000)	100%	0	0%	(81,000)	(81,000)	100%	0	0%	(108,000)	(102,194)
<b>MANAGEMENT FEES</b>											
<b>FINANCING ACTIVITY</b>											
(5,072)	(9,142)	55%	(8,774)	58%	(65,452)	(92,520)	71%	(88,200)	74%	(121,248)	(92,675)
(742)	0	0%	(368)	201%	(2,011)	0	0%	(4,318)	47%	0	(2,509)
102	33	309%	33	313%	577	537	107%	535	108%	616	671
<b>(6,512)</b>	<b>(9,109)</b>	<b>73%</b>	<b>(9,109)</b>	<b>73%</b>	<b>(66,886)</b>	<b>(91,983)</b>	<b>73%</b>	<b>(91,982)</b>	<b>73%</b>	<b>(120,632)</b>	<b>(94,512)</b>
<b>TOTAL FINANCING ACTIVITY</b>											
<b>OTHER INCOME (EXPENSE)</b>											
40,216	50,452	58%	50,452	58%	437,371	458,140	95%	458,148	95%	608,123	592,316
(32,714)	(31,671)	103%	(30,830)	107%	(294,423)	(285,039)	103%	(283,800)	104%	(380,052)	(403,187)
0	0	0%	0	0%	0	0	0%	0	0%	0	(27,028)
16,503	18,781	88%	19,822	83%	142,948	173,110	83%	174,348	82%	228,071	162,101
<b>TOTAL OTHER INCOME (EXPENSE)</b>											
<b>6,805</b>	<b>2,944</b>	<b>231%</b>	<b>(13,644)</b>	<b>-50%</b>	<b>78,250</b>	<b>52,088</b>	<b>150%</b>	<b>171,677</b>	<b>46%</b>	<b>109,015</b>	<b>(5,227)</b>
<b>NET INCOME</b>											

**Overview:**

Like last month, July was very active, with a host of events and activities. We hosted our largest club event of the year, Member Guest July 19<sup>th</sup> - 21<sup>st</sup>. It was a very successful event receiving a plethora of compliments for the Board and Golf Committee from members and guests alike. The staff executed a well-constructed plan resulting in an outstanding experience for all participants. Other well attended events in July were our 4<sup>th</sup> of July celebration, Ladies Guest Day, and Nine and Dine.

The weather presented more challenges in July, resulting in several event cancellations and slower than normal activity at the pool. We received over six inches of rain in the latter half of month and had much cooler than normal temperatures. Food and Beverage was once again hit hard by the inclement weather forcing another large miss to revenues. Stingray's operated with limited hours because of rain and cooler weather. Traffic over the July 4<sup>th</sup> holiday was slower than normal as many of our members took advantage of holiday falling mid-week and were vacationing away from Champaign.

Even with a busy summer calendar, overall activity was down. Weather has negatively impacted golf rounds, as well as pool usage, with a residual effect on F&B. The last week in July the team dedicated itself to bringing the excitement back, creating new food and beverage specials, as well as outlining several great fall events that will be sure to generate excellent participation.

### **Financial Performance:**

#### **Revenues:**

The team encountered a revenue miss of roughly \$15.5K to budget. However, we were able to increase revenues over prior year by 7%. Membership continued to show stability with a dues line \$121K on a budget of \$117k and prior year of \$110k. Unfortunately, we missed membership budget by \$4k due to lack of new membership sales and receiving no initiation fees.

Despite the weather and lack of rounds (down 15% over prior year), the golf department had incredible month exceeding budgeted revenues by \$11k. Increased guest play, as well as one large outside outing helped golf surpass green and cart fee revenue. For a second straight month the golf department had solid merchandise sales, exceeding budget by \$7k and prior year by \$16k. The department continues to show steady growth over prior year, increasing revenues by 9%.

Food and Beverage had another large shortfall totaling roughly \$25.5K to budget and \$19k vs prior year. Weather and the lack of private events played a major role in the down month. YTD a la carte dining is 5% over prior year however the club is down 50% to prior year in banquets. In the upcoming months, revenue outlook is more optimistic with increase in membership as well as more private events and outings scheduled for the second half of the year.

#### **Payroll:**

The team operated with caution, monitoring staffing levels on slow days to maximize efficiency. As a result, the team saved roughly 3% to budget helping to mitigate the revenue miss. The bulk of the savings was generated by Course and Ground as well as Golf departments. Overall as a team, YTD we have been able to save \$69k to budgeted payroll expenses.

#### **Expenses:**

July expenses were down roughly 4% to budget. Admin department contributed to almost all the savings because there were not any large repairs or other unplanned expenditures. Lastly, COG have become more in line with budget, coming on at 81% for golf and around 34% for F&B. Merchandise was slightly higher due to the product sold at cost for our member guest event.

#### **Summary:**

Overall, the team did an excellent job managing the flow through, flexing on payroll and expenditures resulting in an EBITDA surplus of \$3.5k vs. budget. For the year we are roughly \$31k over budgeted EBITDA and \$26K over budgeted Net Income. Currently, we are forecasting to finish slightly ahead of budget for the fiscal year.

### **Key Performance Highlights:**

- ❖ Membership Dues Revenue was roughly \$121k on a budget of \$117K and prior year of \$110k.
- ❖ Payroll saved \$4.5k for July, YTD saved \$69k to budget.
- ❖ Operating Expenses saved \$4K in July and YTD saved 4% budget and 11% over prior year.
- ❖ Sold \$29.4K in golf merch. on a budget of \$22k. YTD Golf merch. is 10% over budget and 13% over prior year.
- ❖ Food and Beverage a la carte business has improved 5% over prior year while Banquets are down 50%.
- ❖ 11% increase in pool guest fees over prior year.
- ❖ 2,819 rounds played; down 14% versus prior year.
- ❖ Completed a successful Member-Guest with 96 participants. Overwhelming positive feedback on the event and its food and beverage.
- ❖ July 4 festivities brought 261 people to the pool, well above the average 118 people per day for July.

### **Key Performance Issues:**

- ❖ July 18<sup>th</sup> experienced a fire to an A/C unit outside of Stingrays. No one was hurt, and the unit was replaced on July 31<sup>st</sup> under the club insurance policy.
- ❖ Food and Beverage revenues at Stingrays down to prior year. Weather and menu offerings have contributed to the problem.
- ❖ Inconsistent service: Continue to have inconsistent ticket times in the F&B department which will be immediately addressed by Interim Chef Michael Parks.
- ❖ HVAC assessment - McCormick is provided the club maintenance action plan noting needed repairs to 3 units while recommending possible two unit replacements.
- ❖ Roof Repairs- Steve our custodian repaired leak and ceiling in 19<sup>th</sup> hole. Will begin repairs to flat roof in August or September.
- ❖ Staffing- Continue to have high turnover rates in Course and Grounds as well as back of the house in the Food and Beverage department. Looking for additional labor however we found temporary help with Express Employment Professionals.
- ❖ Men's locker room shower: Lanz repaired all but one shower unit in men's locker room. Need to repair one shower, but we will have to demo the wall to get to pipes.

### **Key Actions to Drive Performance:**

- ❖ Fall event calendar: Staff had a couple of planning meetings where we reviewed and added to the event calendar.
- ❖ F&B Action Plan- Biweekly meetings are held with KS Food and Beverage Regional to improve overall dining experience. First meeting was held on the 24<sup>th</sup>, outlining expectations of action items that need to be accomplished.
- ❖ Irrigation Review- Toro provided bid for irrigation upgrade. Currently, waiting on final bid from Toro and Rain Bird for feasibility and timing of project.
- ❖ Stephen Dunn, Membership and Sales Director, is working on increasing sales leads for memberships, private events, and outings. First, he is creating a sales presentation and materials for real-estate organizations to inform agents of LFCC offerings. Second, he will distribute a letter to local organizations and businesses with follow-up calls to promote private event space. Lastly, he will contact fraternities and sororities to host fall formals.
- ❖ Strategic Plan- Continuing to work through the club's Strategic Plan. Currently, we have completed the Vision Statement, SWOT Analysis, and analyzed financial & membership information for the past 10 years. Working on Food and Beverage history, defining expectations and individual dining spaces.
- ❖ Started budgeting process for fiscal year 2018/19.

## Membership Count YTD:

Membership Category	Current	Budgeted		Adds	Subs	Dues Add / Lost	Budget Dues Add
Equity	169	175		10	11	\$-607.00	\$3,035.00
Junior Under 35	51	66		12	10	\$242.80	\$728.40
Junior 1/2 (Ages 35-37)	32	26		1	5	-\$1,335.40	\$1,669.25
Junior 3/4 (Ages 38-39)	10	3		2	1	\$485.60	\$0.00
Social	96	91		18	10	\$2,492.00	\$1,557.50
Honorary	51	41		0	2	-\$607.00	\$0.00
Honorary social	3	1		0	0	\$0.00	\$0.00
Dining	24	50		0	5	-\$565.00	\$452.00
Non-Res	9	5		4	0	\$600.00	\$0.00
U of I	5	5		0	1	\$0.00	\$0.00
Total	450	463		47	45	\$1,148.80	\$7,442.15

## Membership Status as of July 31, 2018

- **0** new members, 1 resignations, **Net -1** for July  
**+8/25 towards Membership Madness**  
**Total club membership = 450**

## Marketing:

- **Promotions:** Working on various ideas for different Fall and Spring promotions. These will bring a new excitement to interested people who are looking to join our great club.
- **Facebook:** Facebook posts go out at least twice a week (Wednesdays & Fridays) for upcoming events. I have been taking pictures of different events such as Monday Night Ladies' League, golf events, swim meets, and various events around the club. These posts help create excitement and let our members see just how much we have going on, on a weekly basis.
- **In Process:** Meeting with Reggie Taylor and her team at Coldwell Banker.
- **Community Outreach:** Preparing to send letters to various charities and businesses to see if they would be interested in hosting their functions out here (golf outings, dining events). I will be talking with different fraternities and sororities about hosting functions.

## Member Relations:

- I'm listening to the feedback from our members (the good, the bad, and the ugly) and passing 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.
- I am out taking pictures of various events going on (golf league, social events, dining events).

## Banquets & Events:

- I have talked with a few Carle staff members about hosting different mixer events for their employees. Carle has expressed interest in hosting an Octoberfest mixer here and are starting to work on the first stages of planning everything.

## Other Services:

- Completed August Newsletter

## August Expectations:

- Sign up 2 new memberships
- Continued referrals from our great members
- Schedule a couple of different mixer events with other businesses/organizations
- Sign up 1 private event

## **Golf Recap**

**By Rob Walls, Head Golf Professional**

July was another good month in the golf department. In July, we successfully hosted our two-day Member Guest Invitational. We also played host to the KleenRite golf outing, a Junior Prep Tour event and the Twin City Golf Tournament. Despite these successes, as we have seen over the last few months, rounds were down again by a significant margin. For the month we had 2,819 rounds. In 2017, LFCC saw 3,267 rounds in July and in 2016, the club processed 3,721 rounds. Despite this downward trend, both guest and cart revenue were up versus both budget and prior year. Greens fees were up from 2017 by 57%. Cart revenue increased versus prior year by 12%. These revenue numbers can be attributed to the outside outings we hosted throughout the month. We have several additional events booked in August and hope they will contribute to another strong month. The Pickle Invitational is August 16<sup>th</sup>. The U of I Women's Golf Classic is August 27<sup>th</sup>. There are also several small member outings scheduled throughout the month.

Merchandise sales were phenomenal in July. Cost of goods did run slightly higher than expected due to member guest budgeting, but sales were again up versus both budget and prior year with the Golf Shop realizing close to \$30,000 in sales. This sales number beat July 17 by \$16,305 or 55% and budget by \$7,397 or 25%. As expected, Member Guest provided a strong sales opportunity, and we took advantage with a strong weekend. As discussed last month, inventory is higher than in past years, but we have started to adjust. Our fall golf ball order was put on hold, several Titleist drivers and fairway woods were taken out of inventory by our Sales Rep, and the shoes return process was started. Another factor that will help drive inventory down is the over \$18,000 in sweeps credit on member accounts plus the Men's Leagues and Hullabaloo payouts yet to come. A reminder will go out relaying this information to the membership, as all credit book will need to be spent by the end of the fiscal year in October.

The department loses Brett Coluccio at the end of the month and we have started to lose some of our seasonal staff. Justin and I have developed a plan to get through the season, and we have several promising leads for fall help. There are several seasonal employees who have committed to working through October, but the department will be hiring in August to cover the remaining hours.

Some additional notes regarding golf activity;

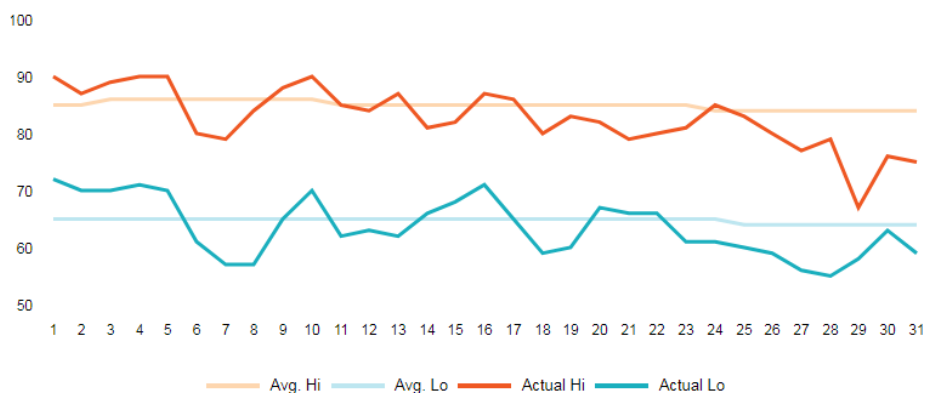
- ❖ Member Guest Invitational received positive reviews. We recapped the event immediately following and will work to make next season's event even better.
- ❖ Club Championship is scheduled to August 11<sup>th</sup> & 12<sup>th</sup>. Sign-up numbers are consistent with year's past.
- ❖ Junior golf programming was a success and Youth Sports Banquet scheduled for August 18<sup>th</sup>.
- ❖ We will be working on a plan to revamp this program again next year.
  
- ❖ Hullabaloo is scheduled for the end of the month and preparation is underway.

## Grounds Recap

By Scott Warner, Golf Course Superintendent

Weather: July weather started quite warm but transitioned to below normal temperature for the second half of the month. We encountered a couple rain events dumping significant rain on the golf course. These rain events were poorly timed, falling on weekends which resulted in lower number of rounds and club usage.

Temperature Graph July 2018



	Actual	Normal	Departure	Record
High	83°	85°		109° (1954)
Low	64°	65°		41° (1904)
Average	73°	75°	-2°	
Precip	5.92 in	4.7 in	+1.22 in	
Snow	0 in			

### Grounds Recap July:

July began very warm and ended with a nice stretch of mild weather that benefited the turfgrass health and playing conditions. Seasonal staffing continues to be a problem, as we didn't gain any ground in July and will lose two students in mid-August. The grounds budget continues to run well under projections for this year, and much of this is still due to the staffing problem. Most other expenses continue relatively close to projections.

### Grounds notes for July:

A couple well-timed rain events helped to keep the turfgrass actively growing even in non-irrigated areas. LDS continues as our biggest turf problem, particularly on fairways. Some scattered Take-all-Patch has appeared on putting greens. This has been a problem during the past three years, with last year having been the worst. Occurrence of patches this year is 50-70% reduced from 2017. Weeds have continued as a big problem this year, with considerable crabgrass breakthrough in treated areas, and some in untreated areas that are usually not a problem. Yellow Nutsedge, primarily in the rough, was a huge problem this year, and required over 12 acres of herbicide application during the month of July.

Our irrigation system problems continue. One season long controller issue was finally repaired by plowing in new communication cable. Numerous leaking or malfunctioning sprinklers were dug up and repaired/replaced. Sticky valves occur with almost every irrigation cycle, resulting in wet areas and quick cycling of our pressure maintenance pump.

### Grounds projects during July:

- ❖ Completed installation of new water cooler box behind practice tee.
- ❖ Continued wetting agent applications on greens, tees, and fairways.
- ❖ Completed scheduled fungicide applications to all greens, tees, fairways, and intermediate rough.
- ❖ Completed herbicide spot-application in rough for yellow nutsedge.
- ❖ Completed granular fertilizer application to primary irrigated rough and green and bunker surrounds.
- ❖ Performed spiking of all tees and fairways.
- ❖ Continued irrigation repairs as discussed above.
- ❖ Continued light pruning and/or limbing up of many trees around course.
- ❖ Completed mulch installation in landscape beds around Stingrays.
- ❖ Continued manual and chemical weed control in landscape beds and various other areas on course.
- ❖ Began manual removal of small trees and large weeds in selected creek bank areas.

### A few July photos:



**Happy 4<sup>th</sup> of July**



**Member/Guest 2018**



**Leaky sprinkler**



**New Practice Tee Cooler Box**



**Entrance Hydrangea**



**Nice Stripes**



**A fairway fungicide check plot showing damage A green nursery check plot showing no damage**



**Nice view back from 3<sup>rd</sup> green toward fairway**



**Excessive fairway clippings after rain event**

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