



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

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

Lincolnshire Fields  
 Standard Summary Income Statement  
 For the Eight Months Ending June 30, 2018

Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY	Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget
<b>REVENUES</b>										
34,484	38,935	89%	34,358	100%	87,524	103,080	85%	89,877	87%	266,820
26,520	23,500	113%	25,651	103%	86,810	83,550	104%	89,668	97%	190,050
506	220	230%	433	117%	2,444	1,745	140%	1,350	181%	2,425
125	175	71%	175	71%	268	520	57%	493	60%	1,620
111,316	142,315	78%	126,560	88%	508,519	571,353	89%	460,836	104%	959,513
0	140	0%	0	0%	0	1,120	0%	3,558	0%	1,680
121,518	116,078	105%	111,283	105%	933,489	888,023	105%	978,055	98%	1,379,822
2,000	8,750	23%	2,000	100%	9,000	64,550	14%	15,089	65%	75,000
10,697	6,130	175%	5,791	185%	16,722	15,225	110%	12,791	131%	20,905
6,460	1,520	425%	1,484	148%	34,372	19,830	173%	11,087	310%	27,706
<b>313,627</b>	<b>337,762</b>	<b>93%</b>	<b>310,601</b>	<b>101%</b>	<b>1,679,177</b>	<b>1,748,997</b>	<b>96%</b>	<b>1,690,834</b>	<b>99%</b>	<b>2,926,241</b>
<b>COST OF SALES</b>										
20,218	17,625	115%	16,041	126%	66,932	62,663	107%	70,526	95%	142,538
37,345	56,076	68%	47,714	78%	197,862	213,238	93%	203,570	97%	362,419
<b>57,562</b>	<b>72,701</b>	<b>79%</b>	<b>63,755</b>	<b>90%</b>	<b>264,894</b>	<b>275,901</b>	<b>96%</b>	<b>274,095</b>	<b>97%</b>	<b>504,957</b>
76.2%	75.0%	101.6%	62.5%	121.9%	77.1%	75.0%	102.8%	78.6%	98.1%	75.0%
35.8%	41.2%	86.8%	38.3%	93.4%	42.9%	40.0%	107.3%	45.2%	95.0%	40.0%
<b>PAYROLL</b>										
41,384	49,173	84%	39,919	104%	232,064	259,798	89%	223,061	104%	443,393
13,226	17,356	76%	13,062	101%	83,927	78,039	82%	58,725	109%	138,255
53,614	42,341	127%	49,167	109%	237,449	297,031	97%	249,295	117%	458,786
20,382	17,449	117%	20,235	101%	30,482	34,942	88%	23,960	132%	72,199
24,504	23,846	103%	12,340	199%	173,665	182,192	95%	152,832	114%	277,607
<b>153,319</b>	<b>150,166</b>	<b>102%</b>	<b>134,723</b>	<b>114%</b>	<b>787,566</b>	<b>851,702</b>	<b>92%</b>	<b>703,973</b>	<b>112%</b>	<b>1,390,242</b>
<b>OPERATING EXPENSES</b>										
43,958	41,792	105%	44,929	98%	159,377	164,005	97%	173,147	92%	296,763
1,731	2,162	80%	2,501	69%	10,650	19,999	53%	16,961	63%	28,944
2,452	2,498	98%	1,099	223%	6,003	11,449	52%	9,594	63%	18,457
11,313	14,191	80%	18,946	67%	90,189	100,848	90%	88,815	102%	157,346
3,541	8,988	39%	9,599	37%	14,320	23,941	60%	27,876	51%	33,264
43,521	40,320	108%	34,955	125%	268,905	251,676	107%	283,615	95%	386,691
<b>106,516</b>	<b>108,948</b>	<b>97%</b>	<b>110,001</b>	<b>97%</b>	<b>549,443</b>	<b>571,706</b>	<b>96%</b>	<b>599,097</b>	<b>92%</b>	<b>921,466</b>
<b>317,398</b>	<b>332,816</b>	<b>95%</b>	<b>308,479</b>	<b>103%</b>	<b>1,601,904</b>	<b>1,689,308</b>	<b>94%</b>	<b>1,577,165</b>	<b>102%</b>	<b>2,816,665</b>
(3,771)	4,947	-76%	2,123	-178%	77,273	49,688	156%	113,669	68%	109,576
<b>(9,000)</b>	<b>(9,000)</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>(72,000)</b>	<b>(72,000)</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>(108,000)</b>
<b>FINANCING ACTIVITY</b>										
(6,374)	(9,178)	69%	(8,796)	72%	(59,480)	(83,378)	71%	(79,426)	75%	(121,248)
85	31	275%	(32)	279%	(1,285)	504	84%	(503)	94%	618
<b>(6,289)</b>	<b>(9,147)</b>	<b>69%</b>	<b>(9,148)</b>	<b>69%</b>	<b>(60,274)</b>	<b>(82,874)</b>	<b>73%</b>	<b>(82,873)</b>	<b>73%</b>	<b>(120,630)</b>
<b>OTHER INCOME (EXPENSE)</b>										
50,022	38,880	129%	38,880	129%	388,155	407,697	95%	407,696	95%	608,123
(32,714)	(31,671)	103%	(30,630)	107%	(261,710)	(263,368)	103%	(253,170)	103%	(380,052)
0	0	0%	0	0%	0	0	0%	0	0%	0
17,309	7,189	241%	8,230	210%	126,445	154,329	82%	154,526	82%	228,071
<b>(1,750)</b>	<b>(6,011)</b>	<b>29%</b>	<b>1,205</b>	<b>-145%</b>	<b>71,445</b>	<b>49,143</b>	<b>145%</b>	<b>185,321</b>	<b>39%</b>	<b>109,015</b>

**Overview:**

June was another very active month at the club with a host of events and activities. We kicked off Monday night Ladies League with a record number of teams; held our inaugural weeklong youth sports camp (KE Camps); commenced the summer with an End of School pool party and Dive-in Movie; sipped margaritas at the June tennis party and concluded the month with an exciting finish to the Member-Member Golf Tournament. Thursday nights continue to be a hot draw with the King of Clubs jackpot reaching over \$40k.

Unfortunately, Membership had its slowest month since January, adding only one new social membership. Even with a slow month, the additions made in April and May have resulted a tremendous increase in monthly dues: \$121.5K dues on a budget of \$116K. The current promotion is a “Membership for a Week” trial membership giving potential members full access to the club for one week. There are 5 available weeks throughout the summer.

Weather did put a slight damper on the financial outlook for June. Stingray's closed for service a handful of days, including a couple weekend days, and the golf course closed for league one night as well as for a wash out one weekend, as a result of inclement weather. Rounds were down over 30% for the month of June compared to the past two years, and YTD rounds are down 14% over prior year. With less traffic at the club, revenues were down to budget by 7% in June.

### **Financial Performance:**

**Revenues:** Despite the weather, LFCC had another good month generating revenues. Even though we missed budget revenues by \$24k, the club was able to increase revenues over prior year (\$3k increase) on a month that was hampered by weather. YTD revenues are behind budget by 4% and 1% to prior year. This can be contributed to fewer than planned outside events in F&B as well as golf and membership dues revenue down 4% to prior year.

Happily, over the past couple months we've worked diligently to reverse the trend of declining membership dues. Membership has continuously grown the dues line and now soundly exceeds prior year monthly dues, helping support growth to the bottom line. Monthly dues revenue for June was \$121.5k versus \$111.3k prior year. With the current membership conditions, the club is forecasted to make up considerable ground in the last quarter of the year in membership dues.

Despite the weather, golf had another good month, missing budget by \$700 and slightly beating prior year. YTD golf departments revenues are flat to prior year, however they are down 7% to budget due to fewer than planned outings. Rounds continue to be down, 650 rounds for the month and about 1k for the year. YTD we've seen an increase in guest rounds helping us to drive green and cart fee revenue.

Food and Beverage had a short fall \$31k to budget, and for the first time this year did not show growth over prior year. YTD the F&B department continues to demonstrate a 9% growth over prior year in a la carte sales. Banquets have dropped sharply over prior year, down \$20k or 39%. 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:** For the first time this fiscal year, the team was over budget with payroll expenses, missing by \$3k. There were payroll savings in Course and Ground as well as Golf departments to budget. The pool and administrative departments were flat to budget. Food and Beverage department was well over budget missing by \$11.5k. The miss can be contributed to lack of knowledge during the budgeting process (underfunding the department). YTD we continue to control our payroll expense down 8% to budget.

**Expenses:** June expenses were down 3% or \$3k to budget. There were slight savings in golf, F&B, and aquatics, while grounds and admin departments were slightly over budget. Grounds continue to apply more fertilizer and chemical applications to the course, making up for time lost in early spring. Admin had a couple utilities bills that were significantly higher than budgeted.

Lastly, COG become more in line with budget, with golf producing a 76% COS and F&B with 36%. These numbers continue to improve because of better oversight and procedures.

**Summary:** Overall, the club is \$27.5k over the budgeted EBITDA for the year. Currently, the club is forecasted to finish right around budget for the fiscal year. To hit our budgeted EBITDA target, we will continue to focus on growing revenues while continuing to aim for a 10% savings in payroll while keeping expenses in line with budget.

### **Key Performance Highlights:**

- ❖ Membership dues revenue was roughly \$121.5k on a budget of \$116k.
- ❖ Payroll over \$3k for June, YTD down \$82k to budget.
- ❖ Expenses were flat to budget for month saving \$3k, while YTD saved 8% over prior year.
- ❖ 22% increase in pool guest fees over prior year.
- ❖ Significantly improved internal audit score.
- ❖ 2,036 rounds played down 30% versus prior two years, however increased total guest play.

### **Key Performance Issues:**

- ❖ Equipment Assets- Prevented maintenance checkup was performed on HVAC helping to improve efficiency. McCormick is providing the club maintenance action plan to ensure full functionality.
- ❖ Roof Repairs- Have several leaks in the main clubhouse, major leak in 19<sup>th</sup> hole causing a small portion of ceiling to collapse. Working on receiving three bids for flat roof, gutters and exterior paint.
- ❖ Staffing- Continue to have high turnover rates in Course and Grounds as well as back of the house in the Food and Beverage department.

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

- ❖ Introduced new Stingrays menu mid-June.
- ❖ Member-Guest preparation: Staff has had several meetings outlining Member – Guest budget, activities to ensure unique well executed event. Created detailed timeline for entire staff to ensure complete understanding of event and details.
- ❖ F&B Action Plan- John DiMeglio, KemperSports Regional Food & Beverage Director, visited the club and helped construct an action plan to improve service and hospitality. Biweekly meetings have been scheduled with the F&B team to review and ensure action items are implemented to improve operations.
- ❖ Irrigation Review- Toro irrigation provided input into our irrigation upgrade. Over the next month they will provide the club with an additional quote for the project.
- ❖ “Member for a Week” campaign was approved for our 3<sup>rd</sup> quarter membership promotion. Currently we have five potential memberships signed up for the membership promotion.
- ❖ Strategic Plan- Continuing to work through the clubs Strategic Plan. Received additional materials and resources from Doug Hellman, VP of KemperSports, providing further guidance through the process. Currently, have completed Vision Statement, SWOT Analysis, gathered financial & membership information for the past 10 years.
- ❖ Implemented weekly sales meeting with Stephen Dunn, Membership and Sales Director, to work on strategies to build more contacts and influences in the community. During these meetings, we focus on building our banquet and outing business.

## Membership Count YTD:

Membership Category	Current	Budgeted		Adds	Subs	Dues Add / Lost	Budget Dues Add
Equity	169	174		10	10	\$0.00	\$2,428.00
Junior Under 35	51	64		11	10	\$242.80	\$485.60
Junior 1/2 (Ages 35-37)	32	24		1	5	-\$1,335.40	\$1,669.25
Junior 3/4 (Ages 38-39)	10	3		2	1	\$485.60	\$0.00
Social	96	90		18	10	\$2,492.00	\$1,246.00
Honorary	51	41		0	2	-\$607.00	\$0.00
Honorary social	3	1		0	0	\$0.00	\$0.00
Dining	25	50		0	5	-\$565.00	\$452.00
Non-Res	9	5		3	0	\$600.00	\$0.00
U of I	5	6		0	1	\$0.00	\$0.00
Total	451	458		45	44	\$1,313.00	\$6,280.85

## Membership Status as of June 30, 2018

- ❖ **1 new member**, 3 resignations, **Net -2** for June  
**+9/25 towards Membership Madness**  
**Total club membership = 433**
- ❖ **0 out of the 1 membership sales** this month came from **LFCC Referrals**.

## Sales:

- ❖ **1 New Membership**
  - **Social Members (1)**
    - Jeffrey & Lori Konicek

## Marketing:

- ❖ **Member for a Week:** We had one family participate in our first week. The family had a great time. This is a great way to increase exposure to more people and the surrounding communities.
- ❖ **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 Busey Bank. Meeting with Bank Champaign.
- ❖ Carle and LFCC have agreed on a Corporate Dining Membership. The Membership gives Carle employees access to our upstairs dining facilities Tuesdays – Fridays from 11:00 AM to 3:00 PM. This is a great way to create new leads for membership as well as bring in revenue for food & beverage sales.
- ❖ **Community Outreach:** Met with Strategic Farm Marketing, Illinois Football, Bank Champaign (Dan Rock), to discuss “Member for a Week” as well as hosting golf outings. I have been in talks with a company, NAU, about hosting a golf outing. Strategic Farm Marketing has expressed interest in hosting their company Christmas party here.
- ❖ **Golden Ticket:** Have received two Golden Tickets so far. Randi Lundstedt and Lars Johnson have each won a trip for four (4) people to golf on a day-trip.

### **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 post a Thermometer Update on Facebook each Friday to show our members the progress we have made towards our goal of adding 25 Net Equity Members.
- ❖ 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:**

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

### **Other Services:**

- ❖ **I have created a “Waiting List” for our Social membership. We have sold out that membership at 100 total Social memberships. I currently have four (4) names on the “Waiting List”.**
- ❖ Completed July Newsletter

### **July Expectations:**

- ❖ Sign up 5 new memberships
- ❖ Continued referrals from our great members
- ❖ Have one more Golden Ticket being turned in
- ❖ Schedule a couple of golf outings during the weekdays
- ❖ Schedule a couple of different mixer events with other businesses/organizations
- ❖ Have 5 more families sign up for our “Member for a Week” promotion

## Golf Operations:

June was another solid month in the golf department. Rounds were down significantly due to some poor weekend weather and several league cancellations. We had one weekend where play was almost completely washed out on both Saturday & Sunday and several others with extreme heat or rain threats. For the month, we had 2,036 rounds of golf. In 2017, we processed 2,984 rounds and in 2016, the club saw 3,362 rounds. As discussed in last month's update, the trend of fewer rounds continues. The weekend tee sheet is consistently dropping off at 11:00 am, and we are seeing less weekend play. With that said, event participation (Member Member, Nine & Dine, Member Guest, etc.) has increased or held steady versus prior years. With good weather in July, the golf staff is hopeful to see more rounds, especially during the afternoon and on weekends.

Guest & cart revenue in June was down to budget but flat to prior year. Cart revenue was slightly down. This can be attributed to two weeks of league cancellation and decreased traffic on the course. Guest fee revenue was up versus prior year by over 10%. Given a down month for rounds, we are very happy with this results. Several new members are consistently bringing out clients throughout the week. We also successfully hosted three small member events of 8 to 12 people during the month. Looking forward, we have two outside events booked on Monday afternoons in July. Damon Hackelman (KleenRite) is hosting a 100 player outing on Monday, July 16<sup>th</sup>. We also have the Junior Prep Tour event of approximately 50 players. These events plus three new member outing events scheduled in August will help to drive this revenue line as we close the summer.

We continued strong merchandise sales in June and had our expected cost of good numbers based on member pricing. Merchandise sales were up versus both budget and prior year. Inventory levels are higher than previous seasons, and I will be monitoring this number as we move through the next two months. Based on our July number, we will make adjustments to our fall buying to bring this number back in line. Member Guest weekend should provide strong sales, and we are fully stocked to take advantage of this opportunity. One of the main drivers of inventory is hard goods. Callaway and Titleist will be working with us to relieve the inventory burden as we approach the end of season. I have already reached out to our sales representatives about returning product that is new and unused. In addition to hard goods, we also made a conscious effort to provide our ladies more options this year and have seen a significant increase in purchasing. The golf staff is confident we are on the right track with our ladies' apparel, and we are getting great feedback regarding of these lines. This was our first season ordering full ladies lines, and we will adjust accordingly, later this year and moving into next, based on this season's experience.

Unfortunately, Brett Coluccio announced he will be leaving our staff at the end of August after his wife accepted a position at the University of Toledo. Brett will be working full-time through July and will be splitting time in August. Justin and I have had several meetings regarding a plan of action for the fall and will begin a new candidate search at season's end. In general, when looking forward to the fall, we are going to have several staff departures and will be looking to add additional staff over the next month and a half.

With that said, Cam Hedge and Kait Asklund have stepped into the Golf Shop and done a terrific job for the department over the last month and half. In other staffing and service news, we continue to stress the importance of exceptional service with both our inside and outside staff. This is an area where the professional staff believes we have room to grow. We will continue to train and make service levels a priority in July.

Some additional notes regarding golf activity:

**KE Camps** – The program was low on numbers, but we have had positive feedback from parents and grandparents of kids who participated. The counselors are excellent, and the company agreed to waive all fees related to camps this year in an effort to grow the program. Justin and I will be evaluating the program at season's end.

**Junior Golf** – Our Junior Golf program has been a success this season with over 45 kids participating. The program ends in mid-July.

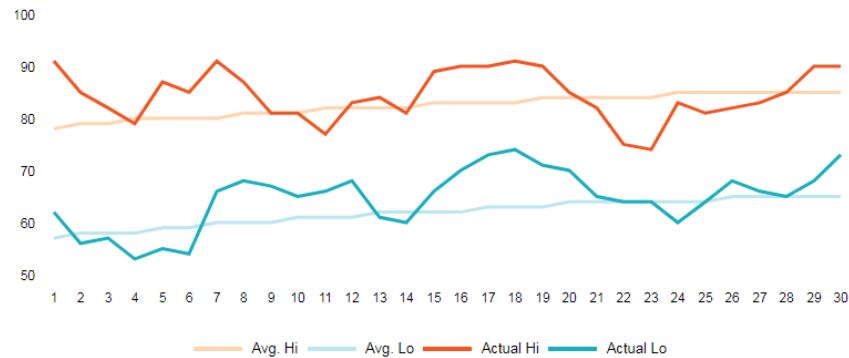
**Member Member** – Weather challenged but did not prevent a successful tournament. Had 60 players participate. Will be discussing possible change Saturday & Sunday for next season.

**Member Guest Upcoming** – We have been preparing for the Member Guest for the last several weeks. The field is full at 48 teams, and we are looking forward to a great event.

## Course & Grounds:

Weather: June weather continued to be quite warm, but also very wet, relieving the April/May drought. Two different multi-day rain events occurred about two weeks apart and each dumped 4-5 inches of rain on the golf course. The above normal temperatures and excessive moisture resulted in very high disease pressure on the turfgrass. The moisture and temperatures did finally kick the creeping bentgrass into gear, with both growth and color returning to more normal levels.

**Temperature Graph June 2018**



	Actual	Normal	Departure	Record
High	84°	82°		103° (1934)
Low	65°	62°		37° (2003)
Average	75°	72°	+3°	
Precip	6.99 in	4.34 in	+2.65 in	
Snow	0 in			

### **Grounds notes for June:**

The rain events combined with timely wetting agent applications and spiking greatly improved the hydrophobic soils and localized dry spots that have been affecting tees and fairways throughout the season. Some LDS still exists however, and will probably continue to be a problem throughout the golf season. Greens have continued to perform well and have been producing good putting conditions.

Our irrigation system problems continue, although the wet month kept irrigation repair labor considerably lower than in April and May. Leaking or malfunctioning sprinklers, controller issues, and failing wiring are the biggest daily/weekly problems.

### **Grounds projects during June:**

- Completed edging of all tee and fairway markers and sprinklers.
- Completed installation of new landscape areas behind 19<sup>th</sup> hole and loading dock fence.
- Completed installation of new water cooler boxes on course.
- Continued wetting agent applications on greens, tees, and fairways.
- Completed scheduled fungicide applications to all greens, tees, fairways, and intermediate rough.
- Continued irrigation repairs as discussed above.
- Continued light pruning and/or limbing up of many trees around course.
- Continued mulch installation in landscape beds.
- Performed several storm cleanups of tree debris and flood debris.
- Completed manual and chemical weed control in landscape beds and various other areas on course.

A few June photos:



**New vs. old water cooler boxes**



**Loading dock landscape project**



**19<sup>th</sup> hole/loading dock landscape project**



**More 19<sup>th</sup> hole landscape project**



**Heavy rain/flooding on #18**



**Too much of this during month**





**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