



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 for February 2019.

Lincolnshire Fields
 Standard Summary Income Statement
 For the Four Months Ending February 28, 2019

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%	2,496	3,850	65%	3,018	83%	239,124	229,861
1,542	1,726	89%	1,576	92%	9,028	12,533	72%	12,168	74%	198,264	194,478
770	700	110%	772	100%	1,198	1,065	112%	1,126	100%	5,885	8,549
0	0	0%	0	0%	0	50	0%	45	0%	1,045	1,029
24,111	31,055	79%	27,560	87%	174,807	196,135	89%	190,011	92%	896,025	905,566
117,555	120,828	97%	111,821	105%	488,384	488,691	100%	461,487	105%	1,515,360	1,462,188
1,970	0	0%	0	0%	2,070	1,000	207%	0	0%	8,000	11,070
0	50	0%	56	0%	0	205	0%	232	0%	27,195	24,705
760	3,557	21%	3,723	20%	6,790	14,228	48%	11,761	86%	42,684	44,237
146,710	157,926	93%	145,608	101%	681,773	715,963	95%	679,849	100%	2,933,582	2,781,682
COST OF SALES											
969	1,295	75%	613	158%	8,303	9,400	88%	10,470	79%	148,698	148,724
12,863	11,785	109%	12,054	107%	48,685	71,506	68%	75,430	85%	327,399	289,349
13,832	13,080	106%	12,667	109%	56,988	80,906	70%	85,901	66%	476,097	438,073
62.9%	75.0%	83.8%	36.6%	172.0%	32.0%	75.0%	122.6%	86.0%	106.9%	75.0%	92.7%
56.6%	40.8%	138.9%	46.2%	122.7%	35.5%	40.3%	87.9%	45.3%	78.3%	38.0%	501.0%
PAYROLL											
17,511	22,115	79%	17,884	98%	87,930	94,542	93%	95,750	92%	417,273	386,535
4,798	5,648	85%	4,414	109%	19,819	23,403	85%	21,687	91%	126,204	102,721
30,277	33,463	90%	25,833	117%	120,963	137,731	88%	114,155	109%	485,285	459,525
0	0	0%	77	0%	0	0	0%	342	0%	72,155	62,053
25,357	27,758	91%	18,765	135%	99,004	105,235	94%	77,528	128%	313,547	298,410
77,343	88,965	88%	66,372	116%	327,716	360,910	91%	309,462	106%	1,414,464	1,308,244
OPERATING EXPENSES											
15,292	4,886	313%	6,216	246%	25,961	21,026	123%	24,274	107%	286,473	323,721
1,731	1,731	100%	0	0%	6,924	6,924	100%	4,324	180%	23,672	22,398
596	780	80%	742	94%	1,599	3,565	45%	1,362	-117%	15,756	15,869
6,369	7,943	80%	7,134	89%	31,898	39,577	81%	44,819	71%	140,327	134,615
52	80	65%	78	67%	(645)	515	-125%	604	-107%	24,985	22,744
23,999	34,631	69%	32,484	74%	124,244	139,360	89%	137,628	90%	412,530	409,408
48,138	50,051	96%	46,654	103%	189,979	211,086	90%	210,287	95%	903,743	929,755
139,915	152,115	92%	126,292	111%	574,684	652,902	88%	605,650	95%	2,794,304	2,677,073
6,795	5,811	117%	19,316	35%	107,089	63,061	170%	74,199	144%	139,277	104,610
(9,229)	(9,270)	100%	(9,000)	103%	(36,900)	(37,080)	100%	(36,000)	103%	(112,074)	(108,430)
FINANCING ACTIVITY											
(7,828)	(7,570)	103%	(8,431)	93%	(31,769)	(30,280)	105%	(35,957)	88%	(90,840)	(82,834)
(857)	0	0%	(241)	372%	(3,557)	0	0%	(590)	359%	0	(6,237)
0	64	0%	46	0%	264	256	103%	203	130%	788	861
(8,725)	(7,506)	116%	(8,625)	101%	(35,063)	(30,024)	117%	(36,745)	95%	(90,072)	(88,211)
OTHER INCOME (EXPENSE)											
45,762	47,958	96%	46,265	99%	183,899	192,893	95%	192,449	96%	598,017	561,436
(33,372)	(32,714)	102%	(32,714)	102%	(133,489)	(130,856)	102%	(130,856)	102%	(392,566)	(399,663)
12,390	15,244	81%	13,551	91%	50,410	62,037	81%	61,594	82%	205,449	181,782
1,234	4,279	29%	15,240	8%	85,537	57,993	147%	63,048	136%	142,581	88,722

Overview:

The momentum through February continued despite slow member usage throughout the month. Revenues continue to be the club's major hurdle missing budget by roughly 8%; however, there was slight growth over 2018. Improvements in COG and expenses have ensured significant growth in EBITDA year to date over prior year.

On top of driving financial success, the team has worked diligently to deliver improved service and events. F&B department continues to focus on training and improving process to ensure a better and more consistent member experience. Our Friday night dining has increased as a result of team efforts to create a fun theme night, Fiesta Fridays. Lastly, significant of time has been focused on the event calendar, developing tactical plans for our seasonal outlets and event bookings.

Financial Performance:

Revenues: Revenues continue to be our number one shortfall. Member utilization year to date is down. Overall, revenues are down 7% to budget for February and 5% YTD; however, we've showed slight growth over 2018. As a result of slow usage, the Food and Beverage department has been impacted the most severely with revenues down 22% for the month and 11% YTD. Membership department continues to outperform prior year with an increase in membership dues by 5%. Even with the increase over prior year we were short of budget by \$3k in the month of February and YTD we are flat to budget. The Golf department had no cart or green fee revenue and was just under the merchandise budget. Even though revenues are down the team has made the necessary adjustments to maintain the flow through to the bottom line.

Payroll: The team continues to do a great job adjusting to the slower months by monitoring staffing levels to ensure proper flow through. The team collectively saved 12% in payroll expenses for the month and is down roughly 9% YTD. All four major departments chipped in to ensure we hit budget. The largest savings came from Grounds department saving roughly \$4.5k while the F&B and Admin departments combined to kick in an additional \$5.4k in payroll savings. Lastly, the golf department added an additional \$850 in savings. YTD the staff has done a great job managing their payroll budget, helping to exceed flow through standards.

Expenses: For the fourth straight month we were under budget in total operating expenses. Even with the adjustment to the chemicals line item in the Grounds Department we were able to save roughly \$2k to budget. Each department did their best to flex to help minimize the miss in Revenues. The largest savings came in the Admin department, saving \$11k to budget as a result of a credit received from the water company as well as being significantly under in Real Estate taxes, repairs and Audit expenses. Cost of sales are slightly higher this month in Food and Beverage due lack of product turnover as a result of slow sales. For the month F&B COS was 57%. Overall for the year, F&B continues to outpace budget with an aggressive 36% COS on a budget of 40%. Golf's COS came in at 63% for the month and is 92% for the year. Cost of goods are high due to liquidation sale we ran in the first quarter of the year and will progressively come down as the year continues.

Summary: Overall, the month was very solid, as we continue to outperform to budgeted EBITDA. The team continues to exceed expectations, managing the flow through and ensuring budget. EBITDA shows significant growth over prior year, improving by roughly \$33k over prior year and besting budget by \$44k.

One area of concern is the membership dues line. In the first quarter the club experienced a high rate of member attrition than we had budgeted. We have lost 15 members than budgeted and as a result we have forecasted an annual miss in dues by approximately \$25K. With our current financial position and slight adjustments to payroll and expenses in upcoming months budget will still be attainable.

As we approach the season, the team is focused on increasing membership and offering an engaging social calendar. Our number one focus in March is ramping up new member sales. Our pipeline for new membership continues to grow with over 30 prospects in our database interested in membership.

Key Performance Highlights:

- Membership Dues Revenue was roughly \$117.6k on a budget of \$120.8K and prior year of \$111.8k.
- Total revenues \$146.7k on budget of \$157.9k and prior year of \$145.6k.
- Payroll saved \$11k to budget and was over prior year by \$11k. for month of February. YTD we have saved 9% to budget and are over 6% to year prior.
- Expenses under \$2K to budget and over \$1.5k to prior year for month of February. YTD we have saved 10% to budget and prior year.
- COS finished at 63% for merchandise on a budget of 75% and prior year of 37% and Food and Beverage was 57% on budget of 40% and prior year of 46%. YTD cumulatively have saved 30% to budget and 34% to prior year.
- EBITDA exceeded budget by \$1k and has currently exceeded budget YTD by \$44k.

Key Performance Issues:

- Overall club usage was down- Cancelled Murder Mystery Dinner and low attendance at Host with the Most.
- Membership: Our largest opportunity is improving our membership count as we are down 23 net members fiscal year to date on a budget of -10 net members. Extrapolating the membership miss out to year end will cause a miss of about \$25k. The pipeline is full, and our plan is to exceed budgeted adds in the next quarter.

Key Actions to Drive Performance:

- New 19th Hole concept- Architect produced CAD drawings for 19th hole improvements.
- Established start dates for approved capital projects: Underpass, Clubhouse exterior, A/V project
- Developed strategic vision and brand statements for Food and Beverage.
- Obtained three quotes for pool dining furnishings.
- Reviewing our pool and stingrays plan- staffing, menu creation and logistics.
- Confirmed dates and performers for Summer Concert Series at the pool.
- Attended KSLC and obtained new ideas through breakout sessions and guest speakers.

Personnel:

- Working on acquiring an Assistant Golf Professional for spring 2019.
- Implemented seasonal staffing recruiting and acquisition timeline.

Membership Status (Stephen Dunn)

- **1 new member**, 5 resignations, **Net -4** for February
Total club membership = 395

Sales:

- **1 New Membership**
 - **Junior Member (1)**
 - Ryan & Caitlin Drake

Marketing:

- **Promotions:** Our “19 in 19” membership program has been receiving a lot of interest. I am expecting continued inquiries from the Champaign community to join with the great deals that are being offered within this program. Our members are going to be great advocates for referrals and new members joining before pool and golf seasons start. I look forward to adding many great new members to the LFCC family.
- **Facebook:** Facebook posts go out at least twice a week (Wednesdays & Fridays) for upcoming events. I will be posting more engaging posts on both Facebook pages to invoke more interaction amongst our members as well as the community. I plan to post more pictures and updates of events as they are scheduled.
- **Public Instagram & Facebook:** Instagram and Facebook posts on our public page go out 3-4 times a week to get the members and community excited for the upcoming Spring and Summer. These posts are also a great opportunity for free marketing to show off our golf course and the different social events that we host each month.

Member Relations:

- I am attending the larger social events to talk with our members about our Referral Program. I am receiving feedback on what the club is doing well and what we can work on to improve the overall member experience.

Other Services:

- Completed March Newsletter
- Started working on the long project of updating members’ contact information and picture for their member file.
- Integral part of signing up a Pool Party for the Carle Physicians. This is a great opportunity to show our club off and possibly add a few new members because of it.

March Expectations:

- Sign up 5 members through our “19 in ‘19” Membership Program
- Referral Program draws a lot of members to refer their friends and family to join before summer is here events and membership.

Golf Report: Rob Walls, Head Golf Professional

In February the course saw no play. There was snow cover and cold temperatures for much of the month and the golf course was not open. This is consistent with February of last year.

For the month, merchandise sales were \$1,541.75 versus a budget of \$11,726.28. Special orders accounted for \$1,500 of the total sales for the month. The lack of traffic through the club house has severely limited sales this off-season. Cost of goods rebounded to 63% for the month. Special order sales and early payment discounts allowed for us to better our expected cost of 75%.

Some additional notes regarding golf activity:

- The golf department has little flexibility in payroll as I am the only person working right now.
- League and off-season projects are being finalized. Women's programming is finalized.
- Search for a new assistant in in process. Interviewed two candidates with one on track to be hired before the end of March.
- Lead generation and contact for 2019 outings is in process. Have three events confirmed for events with several others showing interest.

Grounds Recap: Scott Werner, Superintendent

Winter weather continued throughout the month of February preventing any course openings, and most outdoor work. Snow and ice removal, much indoor work, and a few outdoor projects were performed during the month. An error between inventory and a non-posted invoice caused January financials to be off by around \$8,000, which will correct in the February financials. Most other expenses should be near projections during the month.

Grounds notes for February:

Attended the Golf Industry Show in San Diego. Welcomed Nick Stine into the vacant 2nd Assistant position.

Grounds projects during February:

- Assembled new hole by hole GPS irrigation maps for field use.
- Installed new ID labels on new color-coded valve box covers and began field installation.
- Installed new irrigation weather station on course with assistance from Rain Bird technician and completed radio/computer interface to make station fully functional.
- Performed interior cleaning of irrigation pump house, began re-painting ceiling and walls, and installed new white board to track irrigation and injector data.
- Performed some pruning and landscape cleanup in clubhouse area.
- Assisted tree removal contractor with removal of two large dead trees.
- Completed repair, touchup, and re-sealing of tee markers. (should consider replacement for 2020)
- Performed regular goose patrol with Earl. Many area resident geese hanging around during late month.
- Continued service/repair on grounds equipment.
- Continued grinding and sharpening of reel mower cutting units.
- Performed regular snow and/or ice removal on entrance, parking areas, and sidewalks around clubhouse.

A few February photos:



Weather Station Installation



Earl on Goose Patrol

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