



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 May 2019.

Lincolnshire Fields
Standard Summary Income Statement
For the Seven Months Ending May 31, 2019

Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY	Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget
REVENUES										
27,263	31,015	88%	30,420	90%	48,362	57,950	83%	53,040	91%	239,124
21,188	20,546	103%	19,948	106%	55,913	62,098	90%	60,289	93%	198,264
183	550	33%	50	367%	2,894	2,900	100%	1,938	149%	5,885
90	125	72%	123	73%	110	195	56%	173	64%	1,045
78,920	104,870	75%	95,013	83%	338,666	418,220	81%	397,203	89%	896,025
125,606	130,619	96%	119,348	105%	852,030	867,569	98%	811,971	105%	1,515,360
1,874	2,000	94%	6,000	31%	6,760	6,000	113%	7,000	97%	8,000
7,050	3,570	192%	3,494	202%	10,000	6,400	156%	6,025	168%	27,195
2,042	3,557	57%	6,514	31%	11,646	24,899	47%	27,912	42%	42,684
264,218	297,152	89%	280,909	94%	1,326,380	1,446,231	92%	1,365,551	97%	2,933,582
COST OF SALES										
15,595	15,410	101%	14,587	107%	41,956	46,573	90%	46,715	90%	148,698
38,433	39,270	98%	45,293	83%	115,258	152,181	76%	160,617	72%	327,399
54,028	54,680	99%	60,879	89%	157,214	198,755	79%	207,332	76%	476,097
73.6%	75.0%	98.1%	73.1%	100.7%	75.0%	75.0%	100.1%	77.5%	96.8%	75.0%
51.0%	38.6%	132.1%	50.4%	101.3%	40.5%	39.3%	101.4%	45.0%	89.3%	39.0%
PAYROLL										
45,092	42,321	107%	39,165	115%	191,976	206,476	93%	190,680	101%	417,273
11,490	14,134	81%	12,354	93%	44,271	55,113	80%	50,701	97%	125,204
45,652	43,968	106%	48,899	96%	234,622	254,731	92%	233,635	100%	455,285
7,002	10,632	66%	9,082	77%	7,040	11,861	59%	10,069	70%	72,155
28,095	29,464	96%	28,021	100%	175,972	185,575	96%	149,161	118%	313,547
138,370	140,539	98%	137,512	101%	653,881	713,757	92%	634,247	103%	1,414,464
OPERATING EXPENSES										
49,947	54,778	91%	57,351	87%	89,582	109,956	81%	110,299	81%	286,473
1,731	1,731	100%	1,731	100%	12,116	15,017	81%	8,919	136%	23,672
1,468	1,979	74%	1,831	80%	4,516	8,651	52%	3,551	127%	15,756
16,812	18,139	93%	16,431	102%	67,590	79,791	86%	78,876	86%	140,327
5,614	6,895	81%	8,625	65%	8,017	8,990	89%	10,778	74%	24,985
29,114	32,464	90%	30,980	94%	211,053	234,107	90%	230,503	92%	412,530
104,686	115,986	90%	116,949	90%	392,874	456,512	86%	442,928	89%	903,743
297,084	311,205	95%	315,340	94%	1,203,970	1,369,023	88%	1,284,506	94%	2,734,304
(32,866)	(14,053)	234%	(34,431)	95%	122,411	77,208	159%	81,044	151%	139,277
(9,225)	(9,270)	100%	(9,000)	103%	(64,575)	(64,890)	100%	(63,000)	103%	(112,074)
FINANCING ACTIVITY										
(6,835)	(7,570)	90%	(6,356)	108%	(52,166)	(52,990)	98%	(53,106)	99%	(90,840)
(1,798)	0	0%	(111)	1617%	(7,129)	0	0%	(1,270)	561%	0
71	64	112%	66	106%	452	448	101%	389	116%	768
(8,562)	(7,506)	114%	(6,401)	134%	(58,843)	(52,542)	112%	(53,986)	109%	(90,072)
OTHER INCOME (EXPENSE)										
54,487	51,258	106%	51,033	107%	332,474	342,669	97%	338,133	99%	598,017
(33,372)	(32,714)	102%	(32,714)	102%	(233,605)	(228,998)	102%	(228,996)	102%	(392,568)
21,114	18,544	114%	18,320	115%	98,869	113,671	87%	109,137	91%	205,449
(29,538)	(12,285)	240%	(31,513)	94%	97,861	73,447	133%	73,195	134%	142,581

Overview:

May's financials were plagued by weather and facility closures. Champaign experienced another month with above normal precipitation with several weekends experiencing significant rainfall. In addition to the weather, the 19th hole was closed for half of the month, and the pool experienced a delayed opening due to a leak in the piping system. The club had its first good weekend on Memorial Day. All outlets were open, and the weather finally cooperated.

As a result, the club experienced a shortfall in revenues, preventing us from achieving budgeted EBITDA. The team worked to minimize the miss by providing savings in both payroll and expenses. Even with the miss, the club is still in a good financial position moving into the summer season.

Several capital projects were completed or close to completion by the end of May. The majority of the Bar Optimization Project was completed by the target date of May 17th. Items to be completed in June include; delivery of new furniture, back bar top installation, painting of interior brick and a few other minor details. The acoustical improvements to the clubhouse and Stingrays were finished, providing an enhanced system with more flexibility. Lastly, exterior refresh is almost complete with only few remaining areas on the back of the clubhouse that need paint.

Financial Performance:

Revenues: Facility closures and poor weather led to a significant shortfall in revenues to budget and prior year. Food and Beverage experienced the greatest impact as a result of the 19th hole closure (renovation) and Stingrays shutdown for the first two weekends (pool leak). F&B revenues missed the mark to budget by roughly \$26K and prior year by \$16k. With the significant rainfall, golf rounds were down and consequently so was cart and green fee revenues. Overall, golf revenues were down to budget by \$3.5k and \$1.8k prior year. Membership was also down to budget as we experienced a delay in new memberships as result of lingering cool / wet weather. Membership dues missed budget by \$5k; however, they show significant improvement over prior year (\$6k improvement). YTD revenues are down 8% to budget and 3% prior year.

Payroll: Each department increased their staffing levels and had increased training to prepare for the summer season. Even with additional labor, the team was able to save roughly \$2k in payroll. To date, the team is under budget by 8% in payroll expenses for the year. Admin, golf, tennis and pool departments combined to save roughly \$8k. Grounds was over budget by \$3k due to the increase in labor needed to perform the dryject aerification which was budgeted for April. In June, we expect the grounds department to use a portion of their YTD savings to catch up on projects that were diverted due to the inclement weather. F&B department has exceeded budgeted payroll, due to significant overtime as a result of being short of service staff. In addition, several new cooks were onboarded requiring additional training to become familiar with our process and procedures. YTD the team has saved 8% or roughly \$60k helping to maintain the flow through to the bottom line.

Expenses: The team had another successful month flexing expenses. Each department did their best to save and minimize the miss in Revenues. The team saved a total of \$11K in expense with the largest savings coming from the Grounds, Food & Beverage and Admin departments. Unfortunately, much of the savings we experienced in Grounds will be pushed off to June, with additional chemical applications applied to the course due to inclement weather. Food & Beverage was able to save in operating supplies while Admin saved significant dollars in utilities. The team has been conscious to unnecessary spending and has been able to save 14% to budget and 11% to prior year.

Cost of sales continue to meet expectations, providing the club additional savings over prior year. Overall for the year, F&B flat to budget with a 40.5% COS. YTD the department has experienced a 5% improvement over prior year adding about \$45k in savings. May's COS was inflated due to timing of delivery of goods for Stingrays. Golf's COS ended up at 73.6% for the month as a result of early payment discounts. YTD golf merchandise COS is running at 75%, 2.5 percentage point better than prior year.

Summary: Overall, we continue to surpass budgeted EBITDA by \$47k YTD. For the next quarter our major focus is driving revenues with the opening of Stingrays to make up for the miss in F&B revenues YTD. In addition, membership and special event programming will be our focus to drive the success.

Key Performance Highlights:

- Membership Dues Revenue was roughly \$125.6k on a budget of \$130.6K and prior year of \$119.3k.
- Total revenues \$264.2k on budget of \$297.1k and prior year of \$280.9k.
- Payroll saved \$2.2K to budget and was over prior year by \$900 for month of May.
- Expenses \$11.3K under budget and under \$12.3k to prior year for month of May.
- COS finished at 73.6% for merchandise on budget of 75% and prior year of 73.1%. Food and Beverage will finish at 51% on budget of 39% and prior year of 50%.

Key Performance Issues:

- Pool Issues- Detected leak in return supply pipe system and made repair. Pool pump needs replacement and is on order. Lastly, need to replace control panel that operates the pool temperature. Pool was fully functional by May 18th.
- Hiring- For the past couple months, the staff has been focused on acquiring qualified talent to help with seasonal efforts. Currently, we are short staffed in the front of the house F&B Departments. To acquire individuals, we have implemented a recruiting bonus for current employees, signing bonuses for new employees that stay a minimum of 3 months and have spent significant dollars on employment posting sites. Lastly, we are working with temporary employment agencies to help fill the void. With our current staff size, we have difficulty staffing the clubhouse and Stingrays.

Key Actions to Drive Performance:

- Developed Reinstatement Campaign- Focused on new member recruitment by reaching out to past members through a new offer to rejoin the club with no IF or commitment.
- Created Facebook Promotional Piece- In conjunction with Philip Arouca developed two pieces showcasing the club's amenities while highlighting the possibility for membership.
- F&B Action Meetings- Weekly meeting where key action items are outlined and addressed.
- Outline new furniture order for 19th hole- Provided the board with three bids. Received approval and will be ordered in June.
- Audio and Visual Policy- Developed standardize opening and closing procedures to ensure the audio and TV are consistently operated by the staff. Audio and TV channels are required to be set to approved stations.
- Introduced Chill and Grill- Created a new Food and Beverage tradition at Stingrays. Friday evenings not in conjunction with 9 and Dines, we will offer three grilled specials prepared by the Chef on live interactive grill.

Company Initiatives:

- **Green to Tee:** Scott Werner, Golf Course Superintendent and Matt Whitsitt, Assistant Superintendent completed half of level one and will be working on the other half of the program within next few months.
- **Safety National:** Committee has been established and meets once a week. Completed two tournaments and improved 5 shots vs prior year.
- **True Service:** Planning a joint Trueservice training session with Stone Creek with the help of Frank Merkel and Dean Lytton

Membership Status (Stephen Dunn)

- **11 new members**, 4 resignations, **Net +7** for May
Total club membership = 405

Sales:

- **11 New Memberships**
 - **Equity Members (1)**
 - Bill & Kay Small
 - **Social Members (2)**
 - Brian & Natalie Hanson
 - George Dries
 - **Junior Members (6)**
 - Guillermo Eguidazu & Cristina Franco
 - Sarah Wigley
 - Greg & Stephanie Tresslar
 - Brian & Jenna Russell
 - Cole & Allison Judy
 - Dan & Julie Kirby
 - **Non-Resident Members (1)**
 - Bill Armstrong & Paulanne Jushkevich
 - **Dining Members (1)**
 - Diane Fairchild

Marketing:

- **Promotions:**
 - Our “19 in 19” membership program has been picking up steam over the past couple of weeks. Member referrals have been increasing over the past month. Our Member Referral Leader Board is slowly starting to take shape.
 - Our “Reinstatement Campaign” just got approved by our Board of Directors. This campaign is inviting any recently resigned members from the last five (5) years to give us a second chance.
- **Public Instagram & Facebook:** We have put out a few different general advertisements on our public Facebook page to promote our great pool and what we have to offer. Summer is here and this is the time that Social membership inquiries, have been increasing.

Member Relations:

- I am staying for golf league nights to talk with the members before they go and play. I am seeing how they are doing and promoting our membership programs and reminding them of our great member referral program we have to offer. We have discounted dues and a grand prize opportunity for the leading referring member.

Other Services:

- Completed June Newsletter

June Expectations:

- Sign up 15 new members through our “19 in ‘19” Membership Program & “Reinstatement Campaign”

Golf Report: Rob Walls, Head Golf Professional

In May, the golf course saw 1,917 rounds of golf. In May of 2018 there were 2,229 rounds played. We had fewer players in our Spring Member Guest due to outside conflicts, and we were missing 16 players in the Captain's Draft event mid-month as they scheduled a golf trip to Destin, Florida. The weather was also still consistently cooler and rainy, and we lost several days of weekend play. Despite the poor weather, there were no league cancellations on Wednesday nights. The weather at the end of the month has been warmer and drier, and weekend rounds have begun to pick up. We are hoping the trend continues.

The golf department saw cart fee revenue of \$9,803 and greens fees of \$4,932 for the month. This fell short of budgeted revenue goals by 18% and by 15.7% prior year actuals. These numbers are tied to rounds of golf as there were no major events the department missed versus last year. There is a slight trend of more walking this spring, but this may be caused by a lot of cart restrictions due to the rainy weather. Overall, these revenue categories continue to trail prior year and are well behind the strongly forecasted budget numbers. We will need to add more members and more rounds to reach the targeted goals.

For the month, merchandise sales were \$20,048 versus a budget of \$20,546 and prior year sales of \$19,947. Special orders accounted for a whopping \$11,057 of the total sales for the month as we saw sales reflected from our April fitting day in addition to a Demo Day at the end of May. In April, this space discussed how the lack of traffic through the club has really hurt out-of-inventory merchandise sales so far this season. The trend continued in May with \$9,000 in sales versus prior year \$13,687. For the year, the Shop has seen a decrease in out-of-inventory sales of 40% or \$15,210. This has the golf staff a little worried as inventory purchasing was based on historical trends. Several fill-in orders were cancelled this spring, and buying will be adjusted for the fall if member buying habits continue. The golf staff believes we have filled the Shop with quality apparel and equipment, but everything has been slow to move. On a final note, cost of goods was 76% in May. The Golf Shop ran a buy one, get on free promotion on some aged merchandise in conjunction with Memorial Day weekend. This drove cost of goods up, while the special orders helped negate some of the loss. COGs for the year is still at 76%.

Some additional notes regarding golf activity:

- The golf department is continuing to flex payroll during cool and wet periods.
- Event Sponsorship totals of \$19,100.
 - Justin and I are budgeting for this year's events and plan on adding to each event.
- Member - Member, June 22 & 23
 - Event on Saturday & Sunday morning
 - First "Major" of the year
 - Sponsored by Dave Cartwright, Honda BMW of Champaign

Looking forward to a strong month of June

Grounds Recap December: Scott Werner, Superintendent

May was not a good month for golf or golf maintenance. Rain was the recurring theme and it caused many delays in course preparations and projects, as well as few good opportunities for golf.

We were fortunate to complete the DryJect putting green aerification which had been postponed from April. The Seasonal staff was filled in late May, however, due to continued problems with a shrinking labor pool, we had to rely heavily on students this year, which increased training requirements and will cause more shortages in early to middle August.

Overall expenses continued to run below budget due to the wet weather, delayed applications, and few project completions. As mentioned last month, a good percentage of our savings thru spring will show up as higher expenses during the summer months. Payroll in general will run high during the next few months as we try to catch up with projects and maintenance while the students are here. And savings in chemicals will equalize during June, July, and August as we catch up with, and make adjustments to applications.

Grounds notes for May:

The staff continued to struggle to catch up and get into any kind of normal mowing and maintenance schedule. We were fortunate to have just enough short breaks in the rains, however, to prevent a complete loss of mowing control. The staff did a great job of working when needed and able to keep things pretty well caught up despite the continued frequent rain events. Spring herbicide applications on the 80 acres of rough are now critically behind, and could be in complete jeopardy if weather quickly changes to a more summer pattern. In general, we have done what we can and shifted a number of priorities to adjust to the weather conditions.

Grounds projects during May:

- Assisted with the DryJect process on outing greens.
- Performed two sand topdressing applications on putting greens.
- Performed vertical mowing and brushing of putting greens.
- Rolled putting greens as much as weather would allow.
- Completed two fungicide applications to tees and fairways.
- Completed pre/post-emergent herbicide applications on tees and fairways.
- Completed two fungicide and fertility applications on putting greens.
- Continued regular course cleanup of brush and debris from storms and windy days.
- Began back-pack herbicide applications in all landscape beds and other areas around club and course.
- Completed bed preparation and installation of all annual flowers.
- Performed test installation of new bridge deck boards on #9 bridge.
- Started mulch installation in landscape beds.
- Performed initial detail work around the course to include; sprinkler edging, marker edging, string trimming, hazard marking, etc.
- Continued training and adjustment with new sprayers.

A few May photos:



A dreary day over LFCC



Number 13



Clubhouse flowers



More Clubhouse flowers



9 Bridge trial

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