



**To:** Tony Zahn, President LFCC  
**From:** Justin Waffle  
**CC:** Board of Directors, Dean Lytton  
**Re:** Lincolnshire Fields Country Club

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

Lincolnshire Fields  
Standard Summary Income Statement  
For the Month Ending November 30, 2019

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>											
317	1,101	29%	650	49%	Green Fees & Cart Fees	317	1,101	29%	650	49%	245,649
2,316	8,991	26%	1,956	118%	Merchandise	2,316	8,991	26%	1,956	118%	197,565
1,054	321	308%	321	308%	Other Pro Shop	1,054	321	308%	321	308%	3,983
0	0	0%	0	0%	Range	0	0	0%	0	0%	525
39,130	40,720	96%	28,908	135%	Food and Beverage	39,130	40,720	96%	28,908	135%	842,541
127,674	125,755	102%	119,067	107%	Membership Dues	127,674	125,755	102%	119,067	107%	1,534,600
0	0	0%	0	0%	Membership Initiation Fees	0	0	0%	0	0%	10,000
0	40	0%	0	0%	Other Operating Revenues	0	40	0%	0	0%	26,220
303	1,914	16%	1,914	16%	Other G&A Income	303	1,914	16%	1,914	16%	21,073
<b>170,734</b>	<b>178,842</b>	<b>95%</b>	<b>152,816</b>	<b>112%</b>	<b>TOTAL REVENUE</b>	<b>170,734</b>	<b>178,842</b>	<b>95%</b>	<b>152,816</b>	<b>112%</b>	<b>2,884,156</b>
<b>COST OF SALES</b>											
1,570	6,744	23%	755	208%	Merchandise	1,570	6,744	23%	755	208%	147,200
14,369	16,181	89%	6,439	223%	Food & Beverage	14,369	16,181	89%	6,439	223%	319,416
<b>15,939</b>	<b>22,924</b>	<b>70%</b>	<b>7,194</b>	<b>222%</b>	<b>TOTAL COGS</b>	<b>15,939</b>	<b>22,924</b>	<b>70%</b>	<b>7,194</b>	<b>222%</b>	<b>466,616</b>
67.8%	75.0%	90.4%	38.6%	175.5%	COGS - Merchandise %	67.8%	75.0%	90.4%	38.6%	175.5%	74.5%
38.8%	39.7%	97.6%	23.8%	162.8%	COGS - Food %	38.8%	39.7%	97.6%	23.8%	162.8%	39.7%
<b>PAYROLL</b>											
25,807	30,623	84%	25,152	103%	Course and Grounds	25,807	30,623	84%	25,152	103%	439,231
5,489	5,863	94%	4,976	110%	Pro Shop	5,489	5,863	94%	4,976	110%	125,566
33,523	32,713	102%	26,944	124%	Food and Beverage	33,523	32,713	102%	26,944	124%	477,859
0	0	0%	0	0%	Other Operating Departments	0	0	0%	0	0%	64,122
18,363	21,581	85%	25,204	73%	General and Administrative	18,363	21,581	85%	25,204	73%	270,123
<b>83,182</b>	<b>90,779</b>	<b>92%</b>	<b>82,276</b>	<b>101%</b>	<b>TOTAL PAYROLL</b>	<b>83,182</b>	<b>90,779</b>	<b>92%</b>	<b>82,276</b>	<b>101%</b>	<b>1,376,901</b>
<b>OPERATING EXPENSES</b>											
4,499	5,031	89%	7,194	63%	Course and Grounds	4,499	5,031	89%	7,194	63%	282,354
1,731	1,731	100%	1,731	100%	Carts, Range, Starters, Etc.	1,731	1,731	100%	1,731	100%	23,271
275	432	64%	522	53%	Pro Shop	275	432	64%	522	53%	9,374
8,920	9,165	97%	8,042	111%	Food and Beverage	8,920	9,165	97%	8,042	111%	138,927
(195)	75	-260%	(780)	25%	Other Operating Departments	(195)	75	-260%	(780)	25%	23,299
38,567	39,354	98%	37,486	103%	General and Administrative	38,567	39,354	98%	37,486	103%	528,262
<b>53,797</b>	<b>55,788</b>	<b>96%</b>	<b>54,196</b>	<b>99%</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>53,797</b>	<b>55,788</b>	<b>96%</b>	<b>54,196</b>	<b>99%</b>	<b>1,005,486</b>
<b>152,918</b>	<b>168,491</b>	<b>90%</b>	<b>143,666</b>	<b>106%</b>	<b>TOTAL EXPENSES</b>	<b>152,918</b>	<b>168,491</b>	<b>90%</b>	<b>143,666</b>	<b>106%</b>	<b>2,849,003</b>
<b>17,876</b>	<b>3,350</b>	<b>191%</b>	<b>9,150</b>	<b>135%</b>	<b>EBITDA</b>	<b>17,876</b>	<b>3,350</b>	<b>191%</b>	<b>9,150</b>	<b>135%</b>	<b>35,154</b>
<b>FINANCING ACTIVITY</b>											
(7,627)	(7,495)	102%	(7,097)	107%	Interest Expense - Debt	(7,627)	(7,495)	102%	(7,097)	107%	(89,940)
(1,621)	(1,083)	150%	(799)	203%	Interest Expense - Leases	(1,621)	(1,083)	150%	(799)	203%	(12,996)
20	0	0%	114	18%	Interest Income	20	0	0%	114	18%	0
<b>(9,228)</b>	<b>(8,578)</b>	<b>108%</b>	<b>(7,782)</b>	<b>119%</b>	<b>TOTAL FINANCING ACTIVITY</b>	<b>(9,228)</b>	<b>(8,578)</b>	<b>108%</b>	<b>(7,782)</b>	<b>119%</b>	<b>(102,936)</b>
<b>OTHER INCOME (EXPENSE)</b>											
45,454	44,896	101%	46,330	98%	Dues - Capital Improvement	45,454	44,896	101%	46,330	98%	544,876
(33,372)	(33,873)	99%	(32,714)	102%	Depreciation & Amortization	(33,372)	(33,873)	99%	(32,714)	102%	(406,476)
<b>12,082</b>	<b>11,023</b>	<b>110%</b>	<b>13,617</b>	<b>89%</b>	<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>12,082</b>	<b>11,023</b>	<b>110%</b>	<b>13,617</b>	<b>89%</b>	<b>138,400</b>
<b>20,730</b>	<b>11,795</b>	<b>176%</b>	<b>14,985</b>	<b>138%</b>	<b>NET INCOME</b>	<b>20,730</b>	<b>11,795</b>	<b>176%</b>	<b>14,985</b>	<b>138%</b>	<b>70,618</b>

**Overview:**

Lincolnshire Fields is off to a great start in the new fiscal year. The club finished ahead of budgeted EBITDA by roughly \$8.5k and was significantly ahead of prior year EBITDA by roughly \$8.7K. Even with the cold weather, the club was close to achieving budgeted revenues. The golf department was affected significantly by the weather slightly missing revenues. Food and Beverage took a small hit to a la carte revenues due to lack of golf activity and the poor weather. The Golf Department also felt the affect as rounds were extremely low for the month. However, the team did an excellent job flexing both payroll and OPEX to ensure we exceeded budgeted EBITDA and prior year.

In November we offered a variety of outside food and beverage events in hopes to drive member engagement. We continued with our fall programming offering Wild Wednesdays, awesome specials on chicken wings and great drink specials. Friday nights we continued to offer Fiesta Fridays with Chef specialty nights (Asian & Italian Night) thrown in every other week. Early in the month we introduced a successful wine tasting where members participated in selecting the wine menu for the new year. Thanksgiving brunch participation and takeout orders were flat to prior

year. We were looking forward to building on the Clubhouse Lighting and Cart Parade, a new tradition established last year, but unfortunately encountered rain cancelling the event. Over 10,000 new lights were added to the display.

In November we finalized employment with our new Director of Sales and Member Communication, Sara Michael. She has over 12 years' experience within the industry and has a proven track record of improving sales and marketing for several businesses in the Champaign community. With her ties to community Sara will be quickly immersing herself to establish the necessary relationships to increase membership at LFCC. She also plans to evaluate all communication methods and offer improvements for effective of messaging.

### **Financial Performance:**

Momentum carried over from the last quarter 2019 fiscal year and helped to drive a very successful November. Although we encountered a five percent shortfall in budgeted revenues, the team did an excellent job and exceeded EBITDA, a significant improvement over prior year. Poor weather caused a significant decrease in golf usage affecting golf revenues and contributing to majority of revenue miss. Overall the team controlled the flow through and was able to outperform expectations.

### **Revenues:**

The staff got off to another great start to the fiscal year which can be contributed to excellent revenue performance. Even with the unforeseen winter weather hindering golf usage, the Food and Beverage department did a good job bringing in three large outside events to offset member patronage. The team worked hard to generate events and activities to drive membership participation but just did not get the results we had planned. A la carte revenues were flat to prior year and down \$7k to budget; however, private event revenue increased by \$5k over prior year. We also experienced an unanticipated \$2k surplus in the membership dues line. The dues line was roughly \$8k better than prior year as a result of the approved dues increase to offset the rise in labor costs. The weather had a huge impact on the golf department with almost no golf being played. The results were \$300 of cart and green fee down 50% to prior year and 70% to budget. Merchandise showed improvement over prior year increasing by almost 20%. For the month of November, the club experienced a revenue shortfall to budget by only \$8k (5%) and displayed tremendous growth over prior year increasing by \$18k (12%).

### **Payroll:**

The team was able to save roughly \$7.6k in payroll to budget and was roughly flat to prior year. Admin saved roughly \$3.2k to budget and nearly \$7k to prior year. For the month of November, the club was without a Membership Director and prior year we also had a full-time custodian. This year we have outsourced the custodial position; therefore, the dollar amount has shifted into expenses. Course and Grounds also experienced a significant savings which can be contributed to holding on to seasonal staff longer than expected. As a result, seasonal bonuses were not paid out in November which will cause December's payroll to be slightly higher. F&B experienced an overage with additional front of house staffing needed to provide quality service for the large private parties. Unfortunately, F&B will also experience a significant overage in December because the annual incentives were not paid out in November. Once all bonuses are paid out, no payroll savings will be realized.

### **Expenses:**

Overall, we were able to save 4% or \$2K in expenses. The OPEX savings were split between all departments with details as follows: Admin \$800 in savings, Grounds \$500 with both F&B and Golf saving \$200 each. Expenses were relatively flat saving roughly \$400 to prior year. COS sales were better than budget for both F&B and Golf departments. As a result, we experienced a couple thousand dollars in savings.

### **Summary:**

Overall, it was solid start to the new fiscal year. The team has prepared well to drive revenues in December, helping to build momentum for the upcoming year. Our major focuses for the upcoming year are to build memberships while preventing attrition and continuing to improve upon the Food and Beverage experience. These goals will help us to meet and exceed our budget.

### **Key Performance Highlights:**

- Membership Dues Revenue was roughly \$127.7k on a budget of \$125.8K and prior year of \$119.1k
- Total revenues \$170.8k on budget of \$178.8k and prior year of \$152.8k
- Payroll saved \$7.6k to budget and was over \$906 to prior year.
- Expenses under \$2K to budget and \$399 to prior year
- COS finished at 68% for merchandise on budget of 75% and prior year of 39% and Food and Beverage was 39% on budget of 40% and prior year of 24%.
- 85 people attended the Thanksgiving Day Brunch & 30-40 people for wine tasting
- In November, the course saw 77 rounds of golf. In 2018, there were 63 rounds played.

### **Key Performance Issues:**

- Weather: For most of November temperatures were below normal and we experienced higher than normal precipitation. As a result, little to no golf was played.

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

- Finalized Operation and Capital Budget
- Food and Beverage Department hosted four private events creating over \$7k in revenue
- Food and Beverage Manager worked on adding additional private holiday parties to the calendar. Currently, event bookings are flat to prior year.
- Increased attendance to Annual Holiday Wine Tasting to 50 people. Ladies Happy Hour and Luncheon also experienced slight increases in reservations.
- Finalized date and details for winter membership party
- Fixed heat in lady's bathroom outside the Garden Room

### **Personnel:**

- Negotiating contract for new sales position
- General Manager, Justin Waffle out on leave of absence
- Working on acquiring an Assistant Golf Professional for spring 2019- Interviews to commence in December

### **Company Initiatives:**

- **Green to Tee:** Scott Werner, Golf Course Superintendent and Matt Whitsitt, Assistant Superintendent have been instructed to complete second part of level one by April.
- **Safety National:** Committee has been established and meets once a week. Working this offseason on deficiencies encountered through last year's program.
- **True Service:** The team is working to schedule next True Service training for January. All new hires are required to go through level one. Working with Lauren, new Food and Beverage Manager, to become a trainer of the program.

## Membership Count:

	Current	Budgeted		Budgeted Adds	Current Adds	Budgeted Subs	Current Subs	Dues Add / Lost
<b>Membership Category</b>								
Equity	155	155				3	2	
Junior 35	37	46		1	1	1	2	
Junior 35-37	18	19				1		
Junior 38-39	12	16		1				
Honorary	40	38				1	1	
Social	92	88			1	1	1	
Dining	16	17					1	
Non Res	8	11						
U of I	4	4						
<b>Total</b>	<b>382</b>	<b>394</b>		<b>2</b>	<b>2</b>	<b>7</b>	<b>7</b>	

## Membership Status as of November 30, 2019 (Justin Waffle)

- **2 new member**, 7 resignations, **Net -5** for November (same net loss as last year)  
**Total club membership = 382**

## Sales:

- **2 New Membership**
  - **Junior Members (1)**
    - Lee Cleary
  - **Social (1)**
    - Brenda Ellis

## Marketing:

- **Promotions:** Our “END OF SUMMER MEMBERSHIP OPPORTUNITY”
  - Initiation Fee Waived / No Dues until 2020 / No cart fees for golfing members until 2020
- **Facebook:** Facebook posts go out at least twice a week (Wednesdays & Fridays) for upcoming events.

## December Expectations:

- Begin planning spring Membership Program
- Hire new membership director
- One new Member

## **Golf Department (Rob Walls)**

In November, the course saw 77 rounds of golf. The weather was poor throughout the month with a single nice weekend. Total rounds were on par with 2018 where we saw 63 rounds. There were an estimated 500 rounds in 2017. The weather was cold throughout the month which led to a significant decrease in traffic both on the course and in the Golf Shop. The heaviest trafficked day was around 20 rounds. Two bad Novembers in a row...

The golf department failed to reach budgeted revenue goals in November. This was due to a lack of traffic on the golf course. Cart fees were at \$252 versus a budget of \$300 for the month. Greens fees were at \$65 on a budget of \$350. The weather around the Thanksgiving Holiday was favorable in 2018, but cold and rainy in 2019. This meant there were fewer guests using the course during the holiday.

November merchandise sales were also hurt by the lack of traffic through the Golf Shop. The department started a sale on Black Friday that will run through the Christmas season. For the month, merchandise sales were \$2,315 versus a budget of \$8,991. Prior year actuals were more in line with 2019 at \$1,955. November 2018 was a bad weather month and November 2019 was about the same. Cost of goods was at 68% due to some return credits and net-downs. As we attempt to liquidate inventory in December, we have some deep discounting that will move inventory out at or below cost. The boost from November will help offset the expected hit as we close out the year.

Some additional notes regarding golf activity:

- The golf department was slightly over payroll in November. I went on a trip with family and needed to utilize some hourly staff during my time away.
- The 2020 Golf Calendar is being constructed and will be ready for review in January.
- Search for a new assistant in in process. Job posting on PGA Job Board. Several applicants have been interviewed. Ready to proceed with an offer.
- Lead generation and contact for 2020 outings is in process.

Looking forward to finishing the Holiday season strong in December!

### **Grounds Recap November (Scott Werner):**

November weather continued the early winter/no fall trend. The weather was not conducive to golf or much golf course maintenance. Simply trying to complete leaf cleanup was impossible right up until thanksgiving week, and actually continued into the week after.

Seasonal staff was pared down to the core group, and they only worked a few days here and there when the weather allowed.

November expenses showed the weather effect, as payroll, in particular was well under budget. Some of this is due to having to hold on to the seasonal staff a little longer, which delayed several seasonal bonus payouts until December. This will cause December payroll to run over the budgeted amount.

### **Grounds notes for November:**

The grounds staff completely took over the program to increase the LFCC outdoor Christmas light display, which started in 2018. This expended approximately 150 hours of grounds labor and added around 10,000 more lights to the display. We have received a lot of positive feedback from members about the improved lighting display. Aaron Werner, our Equipment Manager, deserves accolades for his work in planning and installing this year's Christmas lights.

### **Grounds projects during November:**

- Completed 2 snow mold/plant health applications to putting greens.
- Completed final winterizing sand topdressing to putting greens.
- Completed blow out and winterization of irrigation system.
- Completed 1 irrigation pipe repair.
- Installed approximately 15,000 outdoor xmas lights in clubhouse areas.
- Blew leaves and mulched in the rough areas whenever weather allowed.
- Performed regular leaf and debris cleanup in clubhouse areas.
- Continued regular course cleanup of brush and debris from storms and windy days.
- Began seasonal mowing of no-mow areas on course.
- Began repair and painting of all course accessories during bad weather.
- Performed installation of new exhaust fans in clubhouse restrooms.
- Performed several snow/ice removals as needed.

### **A few November photos:**



**Late fall at LFCC**



**Irrigation blowout**



**Late fall color on greens**



**More of the same**



**Civitas check plot – reason for extra green color**



**Close-up of same**



**Xmas lighting at LFCC**



**More of Xmas lights**

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