



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 September.

Lincolnshire Fields Standard Summary Income Statement For the Eleven Months Ending September 30, 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
REVENUES											
28,113	42,435	66%	45,895	61%	207,808	234,885	88%	215,436	96%	286,920	230,925
33,939	28,700	118%	27,140	125%	172,355	155,750	111%	149,153	116%	190,050	203,522
120	220	55%	610	20%	8,888	2,405	278%	2,159	310%	2,425	10,719
136	200	68%	390	36%	1,009	1,420	71%	1,551	65%	1,620	11,164
59,485	72,115	82%	61,286	97%	775,525	886,798	87%	775,000	100%	959,513	807,277
0	140	0%	0	0%	0	1,540	0%	3,558	0%	1,680	0
122,267	125,953	97%	114,511	107%	1,299,540	1,254,602	104%	1,319,441	98%	1,379,822	1,430,515
0	0	0%	0	0%	9,000	75,500	12%	23,489	38%	75,000	9,000
58	200	29%	481	121%	24,937	20,905	119%	18,353	136%	20,905	24,961
2,162	1,557	141%	308	713%	47,033	25,750	182%	14,522	324%	27,706	52,870
246,865	271,521	91%	250,611	98%	2,543,690	2,659,641	96%	2,522,662	101%	2,926,241	2,770,953
COST OF SALES											
25,105	21,525	117%	21,713	116%	131,858	118,813	113%	111,720	118%	142,538	156,243
25,793	27,380	94%	24,647	105%	299,874	338,589	89%	322,633	93%	362,419	305,122
50,898	48,885	104%	46,361	110%	431,732	453,402	95%	434,652	99%	504,957	461,365
74.0%	75.0%	98.6%	80.0%	92.5%	76.5%	75.0%	102.0%	74.9%	102.1%	75.0%	88.5%
47.7%	39.5%	120.8%	41.6%	114.7%	41.9%	40.2%	104.3%	44.5%	94.2%	40.0%	503.8%
PAYROLL											
41,214	43,428	95%	35,084	117%	357,838	403,353	89%	357,398	100%	443,393	395,941
7,462	14,118	53%	11,118	67%	98,696	127,444	77%	106,800	92%	138,255	107,099
43,830	30,783	143%	30,136	145%	424,588	423,064	100%	395,001	107%	458,788	449,622
2,268	1,509	150%	745	305%	61,888	71,967	86%	62,663	98%	72,199	62,455
22,881	23,946	96%	11,463	199%	246,137	254,033	96%	190,415	130%	277,607	272,964
117,686	122,683	96%	88,576	133%	1,191,141	1,279,892	93%	1,112,244	107%	1,390,242	1,287,210
OPERATING EXPENSES											
21,973	26,030	84%	27,672	79%	275,516	272,914	101%	292,596	94%	295,971	309,912
2,811	2,162	130%	1,922	146%	18,068	26,782	67%	25,068	72%	28,944	20,230
1,456	2,119	68%	4,316	34%	13,117	18,257	72%	14,120	93%	18,457	13,996
11,726	13,819	85%	18,502	70%	137,699	148,745	93%	141,469	97%	157,346	146,326
1,317	1,843	72%	3,283	40%	22,121	31,794	70%	36,201	61%	33,294	25,821
43,938	32,658	135%	46,508	94%	393,871	355,683	111%	441,228	89%	387,483	432,483
83,220	76,528	109%	101,074	82%	860,382	854,145	101%	950,649	91%	921,466	951,567
251,804	248,096	101%	236,611	107%	2,483,265	2,587,439	96%	2,497,545	99%	2,816,665	2,700,143
(4,939)	23,425	-21%	14,600	-34%	60,425	72,202	84%	25,116	241%	109,576	70,810
(9,225)	(9,000)	103%	(9,000)	103%	(99,305)	(99,000)	100%	(9,000)	1103%	(108,000)	(111,498)
FINANCING ACTIVITY											
(7,069)	(9,728)	73%	(9,418)	75%	(79,788)	(111,520)	72%	(106,538)	75%	(121,248)	(88,652)
(139)	0	0%	(310)	45%	(2,963)	0	0%	(4,860)	6%	0	(2,729)
65	28	245%	28	245%	735	560	132%	559	132%	615	777
(7,174)	(9,702)	74%	(9,702)	74%	(81,925)	(110,930)	74%	(110,930)	74%	(120,632)	(90,605)
OTHER INCOME (EXPENSE)											
49,585	48,048	103%	48,048	103%	536,909	560,075	96%	560,074	96%	608,123	589,928
(32,714)	(31,671)	103%	(31,671)	103%	(359,851)	(348,381)	103%	(346,101)	104%	(380,052)	(406,314)
0	0	0%	0	0%	0	0	0%	0	0%	0	(27,028)
16,871	16,377	103%	16,377	103%	177,059	211,694	84%	213,973	83%	228,071	156,587
(4,467)	21,100	-21%	12,275	-36%	56,253	73,965	76%	119,160	47%	109,015	25,293

Overview:

September was a slower month for the club as we approached fall. The month started with a well-attended Labor Day celebration featuring a BBQ extravaganza, an assortment of pool games and a DJ. Right after Labor Day, the grounds department started full course aerification; completing the greens, fairways and tees. As a result, golf rounds were minimal however we had excellent participation in fall men's league. Our Member Appreciation tailgate was a huge success with the change from the stadium in years past to under the tent at the club.

September was a month of transition for the staff. In food and beverage, interim Chef Mike left the club on September 8th and was replaced by new Executive Chef Patrick Becker. Patrick has transitioned smoothly; continuing to deliver outstanding food and service. Mid-month we received a resignation notice from long term employee Matt Flottmann, Service Captain. During this same period, we were in the search process for a new Food and Beverage Manager and were able to hire Lauren Kuleck on September 29th. Staffing continues to be our largest issue in the food and beverage department.

Financial Performance:

September was another difficult month for the club. Aeration plus the start of school and the U of I football season, slowed usage at the club. As a result, the team struggled to obtain revenues while expenses were driven up by the employment transition in food and beverage. The team worked hard to flex while maintaining service levels. Extra labor was cut while spending only on essentials.

Revenues:

The team encountered a revenue miss of roughly 9% to budget. Membership dues held strong, producing significant gains over prior year. The dues line totaled \$122.3K compared to a prior year of \$114.5k. The membership dues line is finishing the fiscal year in a much stronger position than it finished in 2017. For the year, membership revenues are down slightly to prior year. This shortfall can be attributed to the difference in initiation fees collected last year and a much stronger dues line for the first half of 2017 compared to same time in 2018. This year, we've developed a stronger membership and are positive one net member for the year.

After a solid couple of months, the golf department fell short of total revenues to budget by \$9.2k and was down to prior year by \$11.4k. Aeration and two fewer sizable golf outings contributed to the shortfall. Overall, green and cart fee revenues are flat to prior year while merchandise has grown by 16%. This year, we've encountered increased guest play which has allowed us to maintain similar greens and cart fees to year prior. We also hosted a similar number of outside tournament outings as well.

Food and Beverage also felt the ripple effect, missing budget by roughly \$12.6K. This sizable revenue miss made for difficult circumstance as the department struggled to maintain the proper flow through to the bottom line. For the year, F&B revenues are flat to prior year and missed budget by 13%. We seen a slight increase in ala carte dining while banquets have seen a sizable decline over prior year. In upcoming year, we look to grow this business with the addition of Lauren, as she brings significant experience in this field.

Payroll:

The team understood that we would experience a major shortfall in revenues. As a result, they worked hard to minimize staff during off peak hours and operated as efficiently as possible. The overall payroll saving was 4%. The Golf department contributed the largest saving (\$7K) followed by Course and Grounds (\$2k) and Admin (\$1K). Food and Beverage was over 10% due to the Interim Chef salary in addition to slightly increased staffing during the new chef transition. Year to date, the team has saved 7% to budget because we've been understaffed with our reasonable labor in Course and Ground as well as Golf.

Expenses:

Again, we experienced operating expenses that were over budget. The total miss was approximately \$6.7k and can be primarily attributed to several line items in the Admin department. The combination of recruiting expense, Utilities, real-estate taxes, insurance, interest and clubhouse maintenance and repairs incurred in September caused the Admin to go over budget by \$11K. Year to date we have managed to save 9% over prior year.

Summary:

An 9% miss in revenues with a 1% miss in payroll and expenses resulted in a \$28.4k miss to EBITDA. Currently, we are \$12k short of budgeted EBITDA for the year and are projecting to finish slightly behind budget by \$26K. We continue to show stronger financial performance over prior year as we are roughly \$35k ahead of prior year EBITDA.

Key Performance Highlights:

- Membership Dues Revenue was roughly \$122.3k on a budget of \$123.4K and prior year of \$114.5k
- Total revenues \$247k on budget of \$271.5k and prior year of \$250.6k
- Payroll saved \$5k for September, YTD saved \$89k to budget.
- Expenses over \$7K for September and YTD over \$6k to budget
- Increased merchandise vs prior year by \$23K
- Finished the year with a 30% increase in pool revenues over prior year.
- Member Appreciation Tailgate: Had over 100 members attend the event
- Rotating Chef Menu well received by membership
- In September, the course saw 1,439 rounds on golf. In 2017, there were 1,748 rounds played with 2,066 processed in 2016. This rounds decrease is consistent with the rest of the year. For the season, there have been 12,205 rounds at LFCC. This is down 18% versus last season where we saw 14,976 rounds through September.

Key Performance Issues:

- Staffing: Hired several temps in the kitchen to help with departure of seasonal staff causing higher than expected expenses. Front of the house staff is at a bare minimum. Currently, have 6 FOH staff members with 4 working limited hours. Working with Parkland, U of I, Indeed and craigslist to acquire new talent.
- HVAC Unit- Rooftop unit required replacing after further inspection. Ordered and scheduled for replacement in October.

Key Actions to Drive Performance:

- Finished operating budget for 2019 and currently waiting on final review.
- Hired new Executive Chef (start date Sept 10th) as well as Food & Beverage Manager (Start date Sept. 26th).
- Developed event calendar through end of year.
- New menu development- rolled out version two of the Chef Menu. New all-day menu will be delayed until concept is complete for the new 19th Hole (Block 76).
- New 19th Hole concept- In the process of rebranding the 19th hole into a casual sports gastro pub, that elevates traditional Midwest bar food with locally sourced ingredients, enhanced techniques and fusions of cultures. Our intentions are to combine the historical traditions of both Illini athletics and the roots of LFCC. Our goal is to launch the new theme by early February. Currently working on finalizing the logo, acquiring a designer and creating bar program.
- Irrigation Project- Set to move forward with the start of the project on October 15th.
- New sales promotion: Received approval for “End of Summer Saving” membership promotion.
- Strategic Plan- Finalizing the plan with approximate finish date of October 15th.
- Capital Projects- Replaced flat roofs on clubhouse. Installation of carpeting on stair and HVAC unit to be installed early October. Lastly, working on scheduling of repairs to clubhouse façade and painting with goal to start in mid to late October.

Membership Count YTD:

Membership Category	Current	Budgeted		Adds	Subs	Dues Add / Lost
Equity	167	175		11	12	\$-607
Junior Under 35	49	66		16	13	\$728.40
Junior 1/2 (Ages 35-37)	21	26		1	5	-\$1,335.40
Junior 3/4 (Ages 38-39)	9	3		2	2	\$0
Social	95	91		20	12	\$2,252
Honorary	40	41		0	2	-\$607.00
Honorary social	3	1		0	0	\$0.00
Dining	22	50		0	6	-\$678
Non-Res	10	5		4	0	\$600.00
U of I	4	5		0	1	\$0.00
Total	420*	463		54	53	\$353.00

*Membership accounts audited by Office Manager- total membership were inflated due to spouses registering on total membership account report. Appropriate changes made to provide accurate membership count.

Membership Status as of September 30, 2018

- **6 new members**, 5 resignations, **Net +1** for August

Sales:

- **6 New Memberships**
 - **Equity Members (1)**
 - Brian & Jill Mosley
 - **Junior Members (4)**
 - RJ Hynds & Shelbi Miller
 - Dr. Aaron & Shelby Radish
 - Rory & Brooke Wright
 - Sam & Lindsey Hans
 - **Social Members (1)**
 - Gerry & Kathy Yutzy

Marketing:

- **Promotions:** Introduced our "END OF SUMMER SAVINGS" promotion. With what we are offering, I am expecting to sign up 5 new members by the end of November. I am excited to bring in new members at this time of the year.
- **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:** Working on the 2019 Marketing Plan to establish a guideline for marketing more efficiently next year. This plan will allow me to keep a schedule and improve our marketing materials and reaching our audience more effectively.

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 helping out working in the Golf Shop to help Rob with hours. I am able to interact with our members on a regular basis as they come through the shop.

Banquets & Events:

- I have been in discussions with a couple of members about hosting Christmas parties. We will introduce our banquet and private event menus soon.
- Host with the Most is being brought back this month, so we can build up the excitement for a fun Fall.
- We are introducing our Harvest Brunch & Harvest Dinner for members to come out and enjoy.

Other Services:

- Completed October Newsletter

October Expectations:

- Sign up at least 5 new memberships
- Continued referrals from our great members

Golf Recap (Rob Walls):

In September, the course saw 1,439 rounds on golf. In 2017, there were 1,748 rounds played with 2,066 processed in 2016. This rounds decrease is consistent with the rest of the year. For the season, there have been 12,205 rounds at LFCC. This is down 18% versus last season where we saw 14,976 rounds through September.

Unfortunately, after a few strong months, the golf department struggled to reach lofty revenue goals and moved backward versus both budget and prior year in September. The course aerification schedule along with some cool and rainy weather played a roll in addition to an event cancellation and movement of member events. The Champaign County High School Invitational was successfully held on Monday, September 10th. This was the only outside event held at the club during the month. There were two additional outside events held in September last year that did not return due to the one-time nature of those events. In addition, the Fall Member Guest was moved to October after being held in September last year. This change was made due to the on-course aerification schedule. Finally, the 40-player member outing that was booked for Friday, September 28th was cancelled due to unforeseen circumstances. Combined, these factors were a recipe for a huge September miss. Cart fees were at \$8,868 versus a budget of \$14,000 and prior year actuals of \$14,293. Greens fees came in at \$6,744.50 versus a budget of \$15,000 and prior actuals of \$12,307.50. These totals equate to a 46% miss versus budget and 41% versus prior year. We will hope for a better month in October.

Year to date, the golf department is at \$131,922 in revenue from greens and cart rental fees which is still a 2% increase versus prior year. With that said, the department is now below budgeted revenues by 11%. There are two large member events in October with the Fall Member Guest scheduled for Friday, October 5th and the Mean 18 on Friday, October 12th. These events plus some nice fall weather should allow for the golf department to stay on track as we complete our fiscal year at the end of the month.

Golf saw another strong month in merchandise sales. For the month, the Golf Shop sold \$33,939 in merchandise versus a budget of \$28,700 and prior year sales of \$27,140. Cost of goods was again in line with expectation at 75%. Special order sales were a main driver of the month's success. The Titleist Fitting Day scheduled for Saturday, September 16th was both well attended and successful. Sweeps credit orders played a large factor as well. At month end, the credit balance had decreased from \$35,000 to \$19,000. This remaining balance will need to be spent by the end of this month. Year to date, merchandise sales are up 15.5% versus prior year actuals and 11% to budget.

Some additional notes regarding golf activity:

- The golf department continues to flex payroll as much as possible. Because we are budgeted for fewer hours, there is less flexibility in October than in previous months.
- Fall League was successful with an average of 52 participants each week.
- Aerification of the fairways and tee blocks was completed this year but was not completed in 2017. This change contributed to the decrease in guest and reciprocal play.

Hoping to finish the year strong with a beautiful October.

Grounds Recap (Scott Werner):

September was unseasonably warm and mostly dry after the first week of the month. Other than causing some heat stress on the last few fairways, this worked out well for our aerification practices. Seasonal staffing continued to be a problem.

As expected, the grounds budget for the month came in \$6,000 under projections, making up almost all of the deficit that we ran in August. The year to date continues to run significantly under projections, which is primarily due to our staffing issues.

Grounds notes for September:

September is aerification month at LFCC. Mostly dry weather cooperated and allowed us to complete these tasks on schedule, despite several equipment failures during the fairway process. Greens and fairways are recovered nicely and set-up well for our October events. We are still slowly finishing up tees but have all the large regular men's tees completed and recovered, with the just the smaller tees remaining.

Irrigation issues continued, but that is soon to be remedied with our Irrigation Project about to begin on 10/15.

Grounds projects during September:

- Continued wetting agent applications on greens, tees, and fairways.
- Completed scheduled fungicide applications to all greens, tees, fairways, and intermediate rough.
- Continued irrigation repairs.
- Continued light pruning and/or limbing up of many trees around course.
- Completed weeding and mulch installation in a few additional landscape beds.
- Continued some manual and chemical weed control in landscape beds and various other areas on course.
- Continued manual removal of small trees and large weeds in some selected creek bank areas.
- Completed solid deep-tine aerification and topdressing of all putting greens and collars.
- Completed core aerification and cleanup of all fairways and approaches.
- Completed core aerification and topdressing of all regular men's tees, and several other large alternate tees.
- Completed slit-seeding of several areas of intermediate rough that had suffered summer decline.
- Began complete overseeding of all intermediate rough and green surround areas.

A few September photos:



Labor Day at LFCC



Everyday at LFCC



Deep Tine Aerification of Greens



Core Aerification of Tees



Flail Mower Cleanup of Tees



Drag Mat Cleanup of Tees



Tee 1-Week after Aerifying



Fairway 1.5 Weeks after Aerifying



1 Fairway 2-days after Aerfiying and Heat Stress Same Fairway after 1-week

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