

ANNUAL MEETING

Lockwood Folly Country Club

Jan 27, 2018

4 PM River Room

AGENDA

- President
- Vice President
- Golf
- Marketing
- House
- Grounds & Greens
- Membership
- Treasurer
- Questions and Comments

PRESIDENT

- Very Good Year
 - Increased revenue and cash position
 - Increased local play
 - Increased package play
 - Increased tournaments
- Master Plan completed
 - Provides roadmap to the future
 - Identifies hole-by-hole improvements
 - Provides prioritized projects with cost estimates
 - Projects can be done as funds become available
- Refinance
 - Opinion Poll 45% for, 45% against, 10% more information
 - One positive year isn't a trend
 - Decision made to refinance at current debt level
 - Establish \$250,000 line of credit
- Oak and Anchor remains a challenge

VICE PRESIDENT

- Oak and Anchor
 - Current status
 - Accountability
 - Certification
 - Food cost and margins
 - Hours of operation etc.
 - Events
 - Catered
 - Scheduling and planning
 - Regularly scheduled

- Special events for Spring
 - Super bowl wings
 - WINE
 - Reservations only for these events
 - February 8th wine tasting
 - May 3rd wine pairing dinner
 - August 2nd wine pairing dinner

GOLF

- Great Year
- Celebrate
- Future Positive
- Results

GOLF OPERATIONS VERSUS BUDGET

- Outside/Guest play +\$16,293
- Gross income + \$19,248
- Expense management +\$29,846
- Net income =\$49,094
- Region competition -9%
- Wow numbers

GOLF PRO

- **The Golf Course**
 - 1st "Full Year" after our Greens Renovation
 - Received many great reviews of course from golf playing customers.
 - Many said ours are "The Best Greens in Brunswick County".
 - Golf Course "Master Plan" presented to LFCCI.
 - Provides a "Roadmap" for future golf course projects and renovations.
 - Continue with tree removal in an effort to make golf course "More Playable".

- **The Golf Shop/Clubhouse**

- Opened our new Pro Shop in the POA Clubhouse on March 4, 2017.
 - Fresh and new facilities also received great reviews.
 - "Legitimized" Lockwood Folly CC as a must see and must play destination.
- A larger Pro Shop allows for more options in merchandising concession.
 - In addition to apparel and necessary golf items, plans are being made to bring in non-golf specific accessories and gift items.

- **The Business**

- With improved golf course and restaurant/banquet facilities, business has been very good.
- Outside play, in all categories, increased in 2017.
- Package Play increased in 2017, and LFCC is back on the radar of package providers.
 - Plans being made to cultivate package Providers for 2018 and educate them on what LFCC has to offer for their customers.
- Tournament rounds and dollars were way up in 2017, and tournament bookings for 2018 are very promising.
- Alliances made with East Coast Golf Management and their subsidiaries, have proven to be strong revenue generators with use of their Platinum Card, assistance with online booking directly through the LFCC website, and re-introduction of LFCC into the Package Provider marketplace.

- **What's Ahead for 2018**

- Plans to continue with golf course improvements consistent with our "Master Plan".
- Cultivate package play rounds with travel providers.
- Create "mini-packages" by partnering with our local courses on North End to keep dollars in our area.
- Introduce more successful marketplace tools such as GolfNow, to produce new revenue streams.
- Continue with a successful tournament program bringing more revenue and exposure to LFCC.
 - Charity Tournament focus for 2018 is the Patriot Day Golf Tournament benefitting the Folds of Honor Foundation to be held Saturday April 14.
 - Will be asking for member volunteer teams to help assist with this tournament.
 - Reminder of Women's Southern Golf Association Amateur Championship to be contested here at LFCC in June of 2019.
 - Tournament will have 96 if the best women amateur golfers competing in a week long tournament.
 - Extremely generous revenue generator.
- Enhance our teaching programs to include all abilities of our membership and customers.
 - Create clinics and schools and enhance player development programs.
 - Partner with Cedar Grove Elementary to create opportunities for junior golf programs at LFCC.
 - Work with school administrators in an effort to get golf in the PE curriculum.
- Create Junior Golf Camps over the summer for members grandchildren and junior golfers within the local community.
- New Launch Monitor technology to be utilized in private lessons and clubfittings.

- **Our New Assistant Golf Professional**
 - Holden Patterson Class A PGA Member, which gives LFCC TWO Class A PGA Members.
 - Duties of Assistant Golf Professional:
 - Assist in Tournament preparation and execution.
 - Assist marketing committee in technology based applications such as social media to provide real time information on our club and activities.
 - Assistance in implementing new and existing player development programs.
 - Assistance with controlling all of the moving parts of our alliances and partnerships to keep programs and software current in order to maximize our benefits through the use of these programs.

MARKETING

- Established the name and marketing logo for the Oak & Anchor Restaurant. Additionally, designed the menus, created flyers for special gathering and promotional events.
- Designed new LFCC Brochures and Magnets that showcased the new improvements and enhancements to the Lockwood Folly Golf Course and Clubhouse. The primary target audience for these advertising tools was and continues to be the Holden Beach Vacation Market. These items were delivered to realtors and placed in rental locations throughout the county. These items were also placed in local businesses and restaurants.
- Designed and installed a new billboard encouraging folks to “Come and Play” at Lockwood Folly Country Club. The billboard is located on Sabbath Home Rd and Hwy 130.
- Represented LFCCI and O&A at Days of the Docks Festival in April & Brunswick Affiliate Business Expo in October.
- Created the opportunity for LFCC to be featured in the *South Brunswick Magazine* with an outstanding, in-depth article and pictorial review of our Club and Golf Course. Additionally, we will have focused advertising in upcoming 2018 editions of the magazine.
- Created several radio and TV spots that aired during the year reaching audiences in more than 20 North Carolina Counties. We were also featured on *ESPN Radio* Wilmington. Our media efforts resulted in increased outside golf play and enhanced the name recognition for our golf course far beyond Brunswick County.

- LFCCI was featured on *ATMC TV's* the *Brunswick Biz* program. We can also be viewed on *YouTube*.
- The Clubhouse at Lockwood Folly Grand Opening & Ribbon Cutting Event – Recognized the need to have signage for the new Clubhouse and Oak & Anchor prior to the Grand Opening. Designed and installed the signage just in time for the Celebration. Our committee developed communications packages for the media, dignitaries and realtors that showcased the many exciting improvements of the new clubhouse and enhanced golf course. Additionally, we supported the clubhouse tours and VIP Golf Outing held on the day of the event.
- Provided updated golf course information & pictures to the Brunswick County Tourism Development Authority, Brunswick Golf & Vacation Guides and the Shallotte and Holden Beach Chamber of Commerce.
- On Facebook – Increased media presence for LFCC as well as created a daily presence for the Oak & Anchor.
- 2018 marks the 30 Year Anniversary of Lockwood Folly Golf Course. The Marketing and Membership Committees will be working with Eric and Holden to come up with fun events throughout this year.

HOUSE

- Bag drop area repaired and repainted. Opted out of painting concrete.
- #5 Portable Restrooms installed. Waiting to put up dressing around units.
- Fence around maintenance area was straightened, and secured by JD Franc and his staff.
- Waiting for weather conducive to painting floors of course restrooms. Condensation on floors has prevented from being done sooner.
- Snack Shack Reopening. Waiting to hear back from Brunswick County on proposed product servings.
- A special thanks to Alice and John Meng, for the donation of washing machine. The unit has been installed in the cart barn, replacing the damaged one that was there.
- Key and locks on restroom doors. Has greatly impacted the cleanliness of all restrooms.

- **Committee Members**

Jim Platukis, Tom Humenay, John Van Dusen, Jim Bowers,
Rich Botto, LeRoy Knople, Carl Antisell

GROUNDS & GREENS

- Improvements and Accomplishments for 2017
- Thank you to Al Saunders, Anne Bailey, Dianne Hoffman, George Elliott and Gary Armistead for serving on the Green Committee.
- Sunday Ultradwarf greens performed well all season
- Increased play for the 2017 season means our investment in new Greens was well worth the price.
- Master Plan by Stephen Kay
- Gives LFCC an excellent game plan for improving the golf course in years to come.
- Area between putting green and #1 tee was sodded
- A landscape bed was added.
- Cart path added for carts to and from Channelside Rd.
- Beautification project to landscaping between #1 tee and practice tee.
 - This included some tree trimming, removal of dead and overgrown azaleas and 70 bales of pine straw was added.
 - Thank you to the LGA for donating \$500 for this project.
- Trees around #2 tee were removed to open up the view of the marsh and to make the shot from the tee wider.

- The steps at #1 and #17 tee were removed. The steps were considered hazardous and a potential law suit if someone were to trip and fall.
- New yardage tags were applied to sprinkler heads
 - Thank you to the golden boys who donated money for the purchase of the new tags.
- New water cooler stands at #3 tee, #6 tee and #16 tee.
- Thank you to all who worked the divot party. And special thanks to Al and Margaret Saunders who provided the food and to Jack and Ann Mary Keenan who provided drinks afterwards.
- The rough at the back of the practice tee was resodded. Irrigation heads were also added to the back of the tee to help maintain and improve the condition of the tee and the rough behind the tee.
- Soil tests were taken on fairways and results showed very high nematode counts. Fairways were treated for nematodes and fertilized with Polyon fertilizer. Fairways have improved and will continue to improve with scheduled spraying and fertilizing.
- A fairway aerifier has been purchased and all fairways and tees will be aerified this spring.
- Tees are better but still need improvement.
- Roughs are also better but still need improvement. Roughs will be fertilized with Polyon fertilized this year.

- Cart paths are a major problem. We will continue to look for ways to level and repair many of the paths.
- Trees have been removed on the left side of #4 and #7. The stumps and roots will be removed so that sod can be installed to the bare areas.
- We look forward to an even better season in 2018 as we continue to maintain and improve Lockwood Folly.

MEMBERSHIP 2017

This year we welcomed 12 new members and accepted the resignation of 8, for a net gain of 4 members in 2017.

New Members in 2017:

1-01-17 Horkey, Jeff and Suzanne
1-01-17 Hurley, Robert and Lynn
1-01-17 Menendez, Raul and Carolyn
1-01-17 Schaffler, Charlotte
1-01-17 Williams, Tom and Rie
1-01-17 Wood, David
1-01-17 Grochowski, Steven
1-31-17 Anthony, Irv
4-01-17 Courie, David
4-20-17 Zimmerman, Charlie
8-01-17 Allyn, Daniel and Debra
10-24-17 Hamrick, Scott

Resignations in 2017:

5-01-17 Krug/Caltaldi (moved)
5-01-17 Young (health)
10-31-17 McGinnis (moved)
12-31-17 Menendez
12-31-17 Hursh (health)
12-31-17 Shea
12-31-17 Messineo
12-31-17 Sewell

MEMBERSHIP 2018

New Members in 2018:

1-03-18 Allman, Richard and Jane

1-10-18 Phil and Brenda Julian

Resignations in 2018:

1-15-18 McIntosh, Charles

TREASURER

LFCCI Members Annual Meeting				
Fourth Quarter 2017				
FINANCIAL RESULTS				
	Oct-Dec		Oct-Dec	
	2017		2017	B / (W)
	Actual		Budget	Budget
OPERATIONS:				
REVENUE	\$ 226,697		\$ 218,366	\$ 8,331
EXPENSE	\$ 267,840		\$ 243,572	\$ (24,268)
OPERATING INCOME	\$ (41,143)		\$ (25,206)	\$ (15,937)
OAK & ANCHOR	\$ (9,084)			\$ (9,084)
STORM CLEANUP			\$ (2,554)	\$ 2,554
NET INCOME	\$ (50,227)		\$ (27,760)	\$ (22,467)

LFCCI Members Annual Meeting

Fourth Quarter 2017

FINANCIAL RESULTS

REVENUE

	Oct-Dec		Oct-Dec		
	2017		2017		B / (W)
	Actual		Budget		Budget
Outside & Community Play	\$ 128,233		\$ 122,109		\$ 6,124
Member Income	\$ 78,004		\$ 73,633		\$ 4,371
Other Revenue	\$ 20,460		\$ 22,624		\$ (2,164)
Total Revenue	<u>\$ 226,697</u>		<u>\$ 218,366</u>		<u>\$ 8,331</u>

LFCCI Members Annual Meeting

Fourth Quarter 2017

FINANCIAL RESULTS

EXPENSE

	Oct-Dec	Oct-Dec	
	2017	2017	B / (W)
	Actual	Budget	Budget
Administration	\$ 50,599	\$ 50,411	\$ (188)
Grounds	\$ 138,638	\$ 114,110	\$ (24,528)
Pro Shop	\$ 66,798	\$ 68,192	\$ 1,394
Marketing	\$ 3,395	\$ 1,080	\$ (2,315)
House	\$ 5,505	\$ 6,398	\$ 893
Membership	\$ (50)	\$ 375	\$ 425
Interest	\$ 2,955	\$ 3,006	\$ 51
Total Operating Expenses	<u>\$ 267,840</u>	<u>\$ 243,572</u>	<u>\$ (24,268)</u>

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Calendar Year 2017

FINANCIAL RESULTS

NET INCOME

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				Year
		2017	2017	2017	2017				2017
		Actual	Actual	Actual	Actual				Actual
OPERATIONS:									
REVENUE		\$ 315,885	\$ 326,738	\$ 322,827	\$ 226,697				\$ 1,192,147
EXPENSE		\$ 199,920	\$ 295,829	\$ 245,176	\$ 267,840				\$ 1,008,765
OPERATING INCOME		\$ 115,965	\$ 30,909	\$ 77,651	\$ (41,143)				\$ 183,382
STORM CLEANUP		\$ (2,446)							\$ (2,446)
OAK & ANCHOR			\$ (8,399)	\$ (8,903)	\$ (9,084)				\$ (26,386)
NET INCOME		\$ 113,519	\$ 22,510	\$ 68,748	\$ (50,227)				\$ 154,550

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Calendar Year 2017		
FINANCIAL RESULTS		
CASH FLOW		
		Year
		2017
		Actual
Beginning Cash		\$ 59,540
Net Income (Before Depreciation)		\$ 154,550
Change In Working Capital:		
Decrease In Accounts Receivable		\$ 44,026
Increase In Inventory		\$ (22,714)
Decrease In Other Assets		\$ 5,568
Decrease In Accounts Payable		\$ (4,567)
Increase Prepaid Member Dues		\$ 9,624
Decrease In Other Current Liabilities		\$ (2,053)
Total Change In Working Capital		<u>\$ 29,884</u>
Loan Payments (Principal)		\$ (44,032)
Repay One Year Member Pay It Forward		\$ (91,200)
Net Equipment Lease Activity		\$ (6,369)
Ending Cash		<u>\$ 102,373</u>

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Calendar Year 2017

FINANCIAL RESULTS

BALANCE SHEET

		December 31, 2017	December 31, 2016
ASSETS			
CURRENT ASSETS:			
Cash		\$ 102,373	\$ 59,540
Accounts Receivable		\$ 12,120	\$ 19,995
Insurance Claim Receivable			\$ 36,151
Inventory		\$ 43,742	\$ 21,028
Prepaid Expenses		\$ 205	\$ 3,173
Due from The Grill at Lockwood Folly			\$ 2,600
TOTAL CURRENT ASSETS		\$ 158,440	\$ 142,487
NET FIXED ASSETS		\$ 1,019,505	\$ 1,139,513
OTHER ASSETS (Water Meter Deposit)		\$ 125	\$ 125
TOTAL ASSETS		\$ 1,178,070	\$ 1,282,125

LIABILITIES and MEMBERS EQUITY

LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable	\$	6,782	\$ 11,349
Prepaid Member Dues	\$	34,584	\$ 24,960
Other Current Liabilities	\$	884	\$ 2,937
TOTAL CURRENT LIABILITIES	\$	42,250	\$ 39,246
LOANS & LONG TERM LIABILITIES:			
BB&T Loan	\$	258,785	\$ 302,817
Prepaid Member Dues (Pay-It-Forward)	\$	148,800	\$ 240,000
Equipment Leases	\$	146,911	\$ 111,161
TOTAL LOANS & LONG TERM LIABILITIES	\$	554,496	\$ 653,978
TOTAL LIABILITIES	\$	596,746	\$ 693,224
MEMBERS EQUITY:			
Member Equity and Paid In Capital	\$	2,430,601	\$ 2,430,601
Retained Earnings:	\$	(1,841,700)	\$ (1,464,887)
Current Year Operating Income/(Loss)	\$	154,550	\$ (280,161)
Current Year Depreciation	\$	(162,127)	\$ (96,652)
Total Retained Earnings	\$	(1,849,277)	\$ (1,841,700)
TOTAL MEMBERS EQUITY	\$	581,324	\$ 588,901
TOTAL LIABILITIES and MEMBERS EQUITY	\$	1,178,070	\$ 1,282,125

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The Year In Review

THE GOOD

- We had a GREAT YEAR!
 - * Over 30,000 Rounds Played, Over 17,500 Paid Rounds
 - * Revenue Highest In The Last Six Years
 - * Golf Operating Margin of 15.4%
 - * Cash Position \$40,000 Better Than Budgeted
- Made Golf Course Improvements with Internal Resources
- Acquired Some Used Equipment at Bargain Prices
- Improved Staff by Hiring an Assistant Professional

THE BAD

- Lost Food Service Vendor

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Calendar Year 2018

BUDGET

	1st Quarter 2018 Budget	2nd Quarter 2018 Budget	3rd Quarter 2018 Budget	4th Quarter 2018 Budget	Year 2018 Budget
GOLF OPERATIONS:					
REVENUE	\$ 353,378	\$ 353,177	\$ 347,263	\$ 226,507	\$ 1,280,325
EXPENSE	\$ 271,699	\$ 281,865	\$ 271,522	\$ 276,860	\$ 1,101,946
OPERATING INCOME	\$ 81,679	\$ 71,312	\$ 75,741	\$ (50,353)	\$ 178,379
DISCRETIONARY BONUSES		\$ (17,900)			\$ (17,900)
PROJECT SPENDING- NEW RESTROOM		\$ (5,400)			\$ (5,400)
STORM CLEANUP RESERVE				\$ (10,000)	\$ (10,000)
NET INCOME- GOLF OPERATIONS	\$ 81,679	\$ 48,012	\$ 75,741	\$ (60,353)	\$ 145,079
OAK & ANCHOR OPERATIONS:					
REVENUE	\$ 52,074	\$ 100,998	\$ 110,772	\$ 56,988	\$ 320,832
EXPENSE	\$ 48,609	\$ 93,447	\$ 100,122	\$ 53,046	\$ 295,224
NET INCOME- OAK & ANCHOR OPERATIONS	\$ 3,465	\$ 7,551	\$ 10,650	\$ 3,942	\$ 25,608
NET INCOME	\$ 85,144	\$ 55,563	\$ 86,391	\$ (56,411)	\$ 170,687

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Calendar Year 2018

BUDGET ASSUMPTIONS

Revenue Acquisition:

- Outside Play will be 15,000 rounds
- LFCC will Book 2,000 Rounds of Package Play and 1,500 Passport Rounds
- LFCC will be book tournaments totaling 1,700 rounds
- Membership budgeted at 145 members.
- Limited Member and Guest Rounds total 1,800 rounds.

Expenses:

- Grounds & Greens Maintenance will be Allocated Sufficient Budget to Improve the
Adding two employees
Increased Budget for Sod & Seed
Budget for Tree and Stump Removal
Increased Budget for Chemical and Fertilizers
- Lease New Equipment for Grounds & Greens
- Assistant Pro Full Time Salary Employee
- Replacing Temporary Restroom Facilities

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Calendar Year 2018

REFINANCE

- | | | | | | | |
|---|---|--|--|--|--|--|
| | | | | | | |
| — | Renew Current Mortgage for 5 Years with 4.39% Interest | | | | | |
| | | | | | | |
| — | Initiate a \$250,000 Capital Improvement Line of Credit | | | | | |
| | | | | | | |

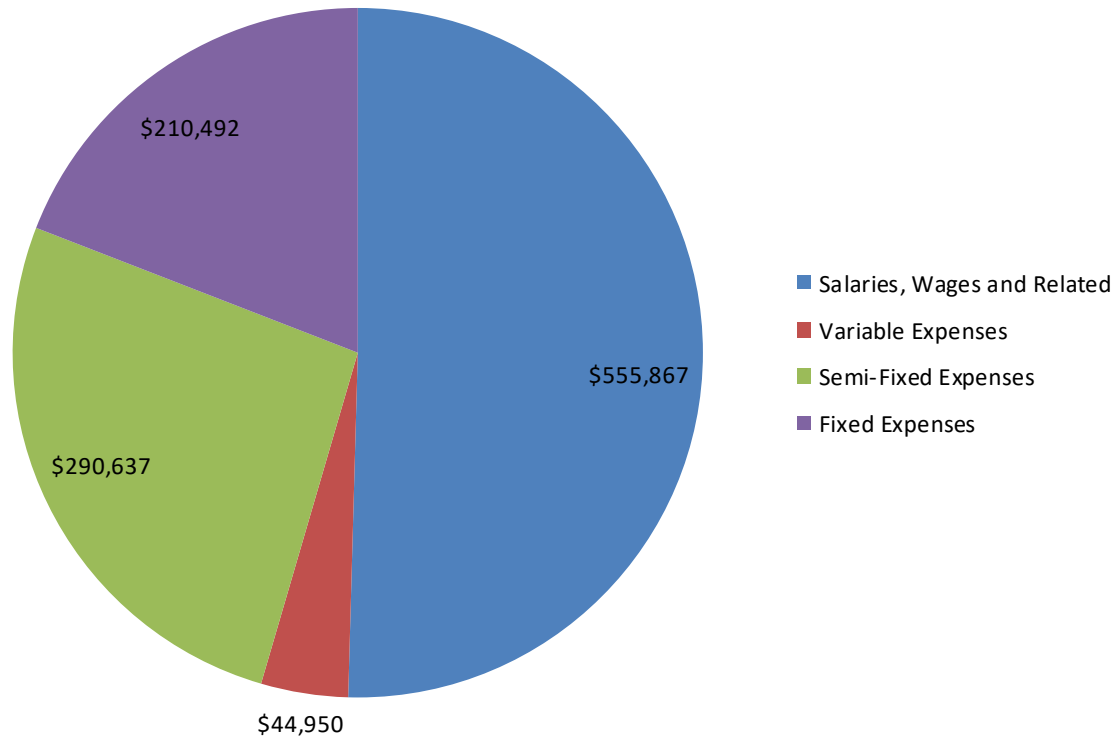
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Calendar Year 2018

GOLF OPERATION BUDGETED EXPENSES by CATEGORY

Budgeted Expenses by Category

Salaries, Wages and Related	\$	555,867
Variable Expenses	\$	44,950
Semi-Fixed Expenses	\$	290,637
Fixed Expenses	\$	210,492



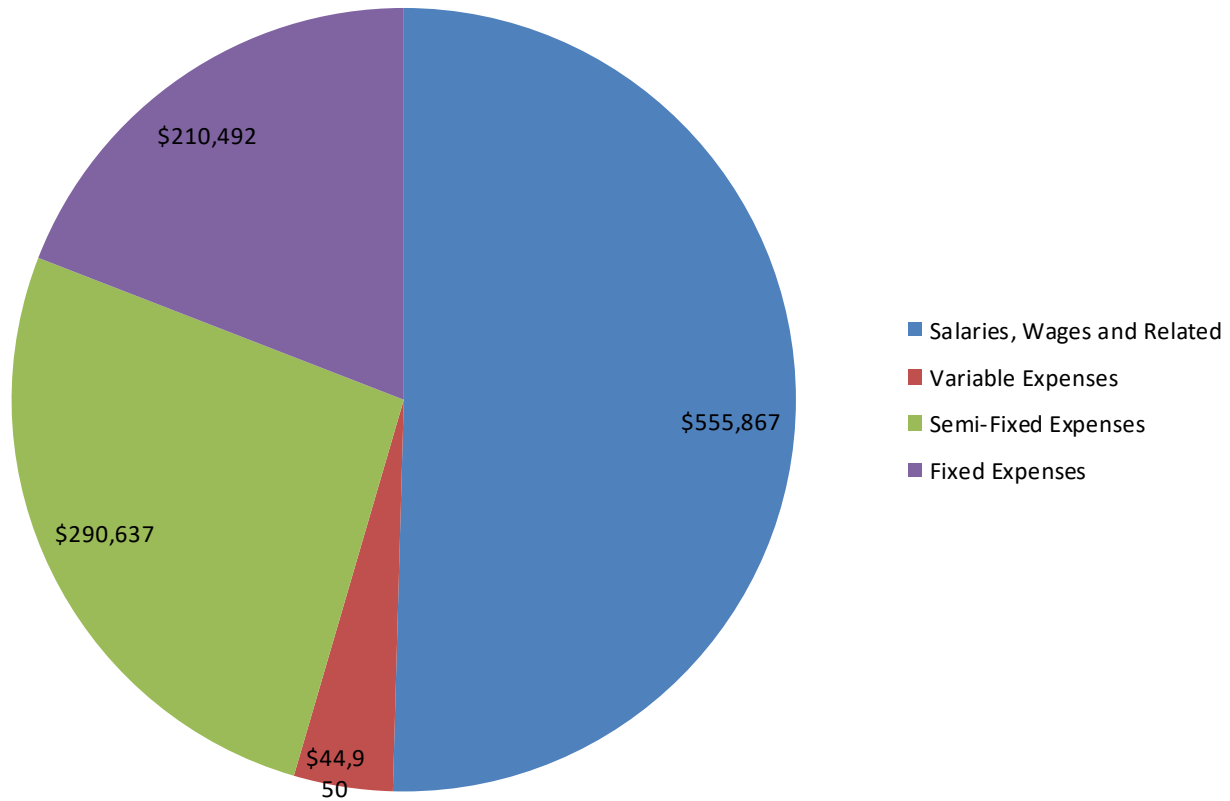
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Calendar Year 2018

OAK and ANCHOR BUDGETED EXPENSES by CATEGORY

Budgeted Expenses by Category

	Cost	% Sales
Food Cost	\$ 128,332	40%
Wages	\$ 122,234	38%
Overhead	\$ 44,658	14%



ELECTION RESULTS

- Barbara Horensky - Chairperson

QUESTIONS & COMMENTS