

ANNUAL MEETING

Lockwood Folly Country Club

Jan 25, 2020

10 AM River Room

AGENDA

- Opening Remarks
- Vice President's Report- Steve Grochowski
- Treasurer's Report- John Meng
- Grounds And Greens Report- Jim Noel
- Golf Report- Gary Armistead
- Membership Report- Robert Hurley
- Facilities Report- Ron Horensky
- Election Results- Sandi Emerson
- Concluding Remarks

PRESIDENT

- Opening Remarks

VICE PRESIDENT

- Remarks

TREASURER

NET INCOME

	2019	2019	B / (W)	2018	B / (W)
	Actual	Budget	Budget	Actual	2018
OPERATIONS:					
REVENUE	\$ 1,144,450	\$ 1,218,354	\$ (73,904)	\$ 1,107,747	\$ 36,703
EXPENSE	\$ 1,127,621	\$ 1,087,240	\$ (40,381)	\$ 1,044,090	\$ (83,531)
OPERATING INCOME	\$ 16,829	\$ 131,114	\$ (114,285)	\$ 63,657	\$ (46,828)
INSURANCE PROCEEDS	\$ 40,646		\$ 40,646	\$ 20,734	\$ 19,912
RESTAURANT	\$ 152	\$ 16,200	\$ (16,048)	\$ (25,233)	\$ 25,385
NET INCOME	\$ 57,627	\$ 147,314	\$ (89,687)	\$ 59,158	\$ (1,531)

REVENUE

	2019	2019	B / (W)	2018	B / (W)
	Actual	Budget	Budget	Actual	2018
Outside & Community Play	\$ 665,405	\$ 683,860	\$ (18,455)	\$ 578,040	\$ 87,365
Member Income	\$ 442,839	\$ 494,424	\$ (51,585)	\$ 467,262	\$ (24,423)
Other Revenue	\$ 36,206	\$ 40,070	\$ (3,864)	\$ 62,445	\$ (26,239)
Total Revenue	\$1,144,450	\$1,218,354	\$ (73,904)	\$1,107,747	\$ 36,703

EXPENSES

	2019		2019		B / (W)		2018		B / (W)
	Actual		Budget		Budget		Actual		2018
Administration	\$ 118,764		\$ 111,000		\$ (7,764)		\$ 160,150		\$ 41,386
Grounds	\$ 677,190		\$ 646,792		\$ (30,398)		\$ 567,712		\$ (109,478)
Pro Shop	\$ 257,309		\$ 254,875		\$ (2,434)		\$ 259,622		\$ 2,313
Marketing	\$ 42,181		\$ 40,690		\$ (1,491)		\$ 34,058		\$ (8,123)
House	\$ 17,462		\$ 13,367		\$ (4,095)		\$ 11,151		\$ (6,311)
Membership	\$ -		\$ 1,900		\$ 1,900		\$ 293		\$ 293
Hurricane & Storm Cleanup	\$ -		\$ 10,000		\$ 10,000		\$ -		\$ -
Interest	\$ 14,715		\$ 8,616		\$ (6,099)		\$ 11,104		\$ (3,611)
Total Operating Expenses	\$ 1,127,621		\$ 1,087,240		\$ (40,381)		\$ 1,044,090		\$ (83,531)

BALANCE SHEET

	December 31, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash	\$ 58,563	\$ 64,754
Accounts Receivable	\$ 13,024	\$ 18,752
Insurance Claim Receivable		
Inventory	\$ -	\$ 23,980
Prepaid Expenses	\$ -	
Due from The Grill at Lockwood Folly		
TOTAL CURRENT ASSETS	\$ 71,587	\$ 107,486
NET FIXED ASSETS	\$ 1,403,041	\$ 1,354,384
OTHER ASSETS (Water Meter Deposit)	\$ 125	\$ 125
TOTAL ASSETS	\$ 1,474,753	\$ 1,461,995

LIABILITIES and MEMBERS EQUITY

	December 31, 2019	December 31, 2018
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable	\$ 48,779	\$ 24,483
Prepaid Member Dues	\$ 62,519	\$ 16,687
BB&T Line of Credit	\$ 60,407	\$ 80,000
Other Current Liabilities	\$ 12,194	\$ 4,703
TOTAL CURRENT LIABILITIES	\$ 183,899	\$ 125,873
LOANS & LONG TERM LIABILITIES:		
BB&T Loan	\$ 172,968	\$ 218,263
Prepaid Member Dues (Pay-It-Forward)	\$ -	\$ 57,600
Equipment Leases	\$ 80,670	\$ 80,670
TOTAL LOANS & LONG TERM LIABILITIES	\$ 253,638	\$ 356,533
TOTAL LIABILITIES	\$ 437,537	\$ 482,406
MEMBERS EQUITY:		
Member Equity and Paid In Capital	\$ 2,430,601	\$ 2,430,601
Retained Earnings:		
Current Year Operating Income/(Loss)	\$ (1,451,012)	\$ (1,415,796)
Current Year Depreciation	\$ 57,627	\$ (35,216)
Total Retained Earnings	\$ (1,393,385)	\$ (1,451,012)
TOTAL MEMBERS EQUITY	\$ 1,037,216	\$ 979,589
TOTAL LIABILITIES and MEMBERS EQUITY	\$ 1,474,753	\$ 1,461,995

CASH FLOW

	Year
	2019
	Actual
Beginning Cash	\$ 64,754
Net Income (Before Depreciation)	\$ 57,627
Change In Working Capital:	
Decrease In Accounts Receivable	\$ 5,728
Decrease In Inventory	\$ 23,980
Increase In Accounts Payable	\$ 24,296
Increase In Prepaid Member Dues	\$ 45,832
Decrease In BB&T Credit Line Borrowing	\$ (19,593)
Increase In Other Current Liabilities	\$ 7,491
Total Change In Working Capital	<u>\$ 87,734</u>
Purchase Machinery & Equipment	\$ (48,657)
Loan Payments (Principal)	\$ (45,295)
Repay One Year Member Pay It Forward	\$ (57,600)
Net Equipment Lease Activity	
Ending Cash	<u>\$ 58,563</u>

The Year In Review

THE GOOD

- Grounds & Greens Staff
- Continue To Make Golf Course Improvements with Internal Resources
- Hurricane Dorian Cleanup Costs Were Minimal and Were Mostly Covered by Insurance
- Club House Lightening Strike and Fire Losses Were Covered by Insurance
- Paid Down \$20,000 Borrowing On the Credit Line
- Put New Roof on Buildings and Purchased Equipment from Cash Flow
- 60 Round Package Well Received
- Joined the Glens Trail for 2020
- Joined Club Corp for 2020

THE BAD

- Our Tee to Green Insurance Changed from \$250,000 Coverage to \$25,000
- Membership Revenue Continues To Decline

Calendar Year 2020

BUDGET

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year
	2020	2020	2020	2020	2020
	Budget	Budget	Budget	Budget	Budget
GOLF OPERATIONS:					
REVENUE	\$ 218,735	\$ 347,969	\$ 343,900	\$ 269,010	\$ 1,179,614
EXPENSE	\$ 266,564	\$ 322,649	\$ 271,120	\$ 260,558	\$ 1,120,891
OPERATING INCOME	\$ (47,829)	\$ 25,320	\$ 72,780	\$ 8,452	\$ 58,723
STORM CLEANUP RESERVE				\$ 10,000	\$ 10,000
NET INCOME- GOLF OPERATIONS	\$ (47,829)	\$ 25,320	\$ 72,780	\$ (1,548)	\$ 48,723
OAK & ANCHOR OPERATIONS:					
RENTAL INCOME	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 27,000
RENT EXPENSES	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 27,000
NET INCOME- OAK & ANCHOR RENTAL	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME	\$ (47,829)	\$ 25,320	\$ 72,780	\$ (1,548)	\$ 48,723

TRENDS

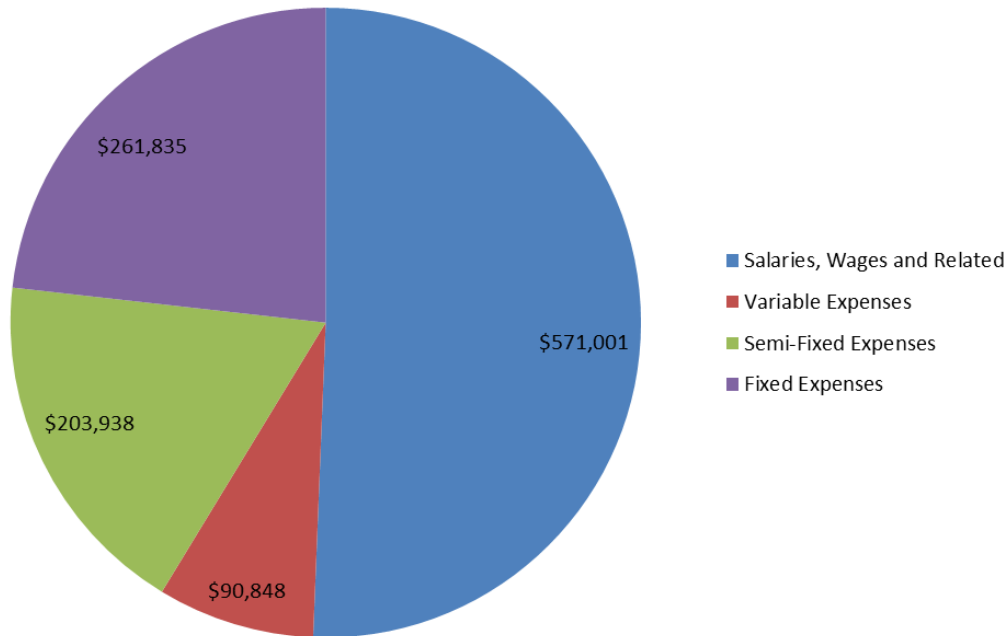
	2019	2018	2017	2016	2015	2014
Outside & Community Play	\$ 665,404	\$ 578,040	\$ 610,984	\$ 308,416	\$ 476,102	\$ 491,641
Member Income	442,839	467,262	492,071	468,244	496,875	510,407
Other Revenue	36,207	62,445	89,127	60,286	74,373	80,962
Total Revenue	<u>\$ 1,144,450</u>	<u>\$ 1,107,747</u>	<u>\$ 1,192,182</u>	<u>\$ 836,946</u>	<u>\$ 1,047,350</u>	<u>\$ 1,083,010</u>
Expenses	1,127,621	1,044,090	984,602	1,160,642	985,078	1,006,621
Net Income Golf Operations	<u>\$ 16,829</u>	<u>\$ 63,657</u>	<u>\$ 207,580</u>	<u>\$ (323,696)</u>	<u>\$ 62,272</u>	<u>\$ 76,389</u>
Line Of Credit	\$ 60,000	\$ 80,000				
Mortgage Payable	172,968	218,263	258,785	302,817	344,817	385,192
Pay-It Forward	-	57,600	148,800	240,000		
Capitalized Leases	45,743	80,670	115,604		22,422	37,557
Total Debt	<u>\$ 278,711</u>	<u>\$ 436,533</u>	<u>\$ 523,189</u>	<u>\$ 542,817</u>	<u>\$ 367,239</u>	<u>\$ 422,749</u>
Major Storms	Dorian	Florence		Mathew		

Calendar Year 2019

GOLF OPERATION BUDGETED EXPENSES by CATEGORY

Budgeted Expenses by Category

	2019	2018
Salaries, Wages and Related	\$ 571,001	\$ 517,378
Variable Expenses	\$ 90,848	\$ 76,064
Semi-Fixed Expenses	\$ 203,938	\$ 215,376
Fixed Expenses	\$ 261,835	\$ 236,757



GROUNDS & GREENS

- Thank You To Our Green Committee! (*CHAIRMAN* – JIM NOEL, *GOLF COURSE SUPERINTENDENT* – TIM CUNNINGHAM, *COMMITTEE* - AL SAUNDERS, GARY ARMISTEAD, DIANNE HOFFMAN, DON BREWER, ASST. SUPERINTENDENT- CLINTON WEEKS AND PGA PROFESSIONAL – ERIC MORGAN)
- 2019 was a very productive year for improving our golf course
- Jan. 20th our green covers were used for the first time
- Landscape bed next to #15 fairway was removed and sodded, plant material was moved to #6 and #18
- Drainage work completed on #12, 14, 15 and 18

- Pine straw beds introduced on #1, 3 tee, 4, 5, 6, 12, 13 and 18
- Tree work (removal, pruning and stump grinding) for golfer safety, master plan improvements and turf health was completed on #1, 2, 3, 4, 7, 10, 12, 15, 17 and 18
- Sod installed on #1, 3, 4, 8, 10, 11, 12, 13, 14, 15 and 17
- WSGA amateur/mid-amateur championships a success
- Lightening strike knocks out power to our irrigation pump house in July. We were without power and unable to water for 5 days
- We purchased a greens roller, 2 – transfer pumps and motors for #7 & 12 pond and a Rainbird irrigation system software upgrade

- Hurricane Dorian brought down many limbs, debris and a few trees. The golf course was only closed one day but cleanup continued for a few weeks.
- Green edges were marked, pulled in and mowed with a walk behind greens mower. The riding greens mower was contributing to the weak areas on the perimeter of greens. They will be brought back out to the original size in the spring
- Fairways were aerified with our aerway machine in the fall which has helped the health and playability of our fairway turf
- Thanks to Jan Kelley's donation azaleas were transplanted from her back yard to #6 and #13 blue tee. We also transplanted the azaleas behind the Coates house on #7.

- Tree work has continued this winter on #7, 8, 9, 13, 14, 17 and 18. The impact of removing the trees behind #8 green will benefit the green and #9 tees significantly. Also, with the tree work completed behind #13 green expect to see improvement on the back of that green.
- All bunkers have been edged and groomed, cart paths are being edged and stone placed in bad areas. Recently, we corrected the standing water problem on the cart path on #5 in front of the white tee
- Looking forward to a great 2020 on the golf course

Jim Noel – Green Chairman

Tim Cunningham – Golf Course Superintendent

Clinton Weeks – Assistant Golf Course Superintendent

“It is amazing what you can accomplish if you do not care who gets the credit”

Harry Truman

GOLF

- **Great Year for Golf at Lockwood Folly.**
- **Hosted very successful Women's Southern Golf Association Championships.**
 - Enormous exposure for LFCC!
 - Thank you to all volunteers that helped showcase LFCC and pull of a great event
- **WSGA Championships committed us to provide a great product, early.**
 - Tim Cunningham and staff delivered!
 - THANK YOU, TIM and STAFF!!
 - Course in great condition early.
 - Provided many repeat customers
 - Created BUZZ about Lockwood Folly.

- **Translated into many positive trending revenue streams:**
 - **Tournament Rounds: 2,047.** Up 31% from 2018 and up 20% from 2017.
 - Tournament Revenue: up 44% from 2018 and up 36% from 2017.
 - 2019 Tournament Revenue: \$76,986.00
 - **Package Rounds: 1,717.** Up 45% from 2018 and up 113% from 2017.
 - Package Revenue: Up 46% from 2018 and up 118% from 2017.
 - 2019 Package Revenue: \$78,148.00
 - **Online Bookings: 3,876.** Up 89% from 2018 and up 319% from 2017.
 - Online Revenue: up 49% from 2018 and up 118% from 2017.
 - 2019 Online Revenue: \$83,469.00
 - **Local Rounds: 5,429.** Up 50% from 2018 and up 43% from 2017.
 - Local Revenue: Up 45% from 2018 and up 35% from 2017.
 - 2019 Local Revenue: \$178,518.00

- **Moving Forward Swing into 2020**
 - **Member Outlook:** Finished year with around 150 Members
 - ClubCorp addition should help add to our membership numbers.
 - Seeing play generated from ClubCorp already in January 2020.
 - Already planning 2020 membership drives.
 - **Tournament Outlook:** Many calls to book tournaments and larger groups.
 - Bids in on Word Am again. 2 Days.
 - Landed 1 round of the Calabash Cup.
 - Will host again:
 - Kiwanis 128p.
 - Folds of Honor (more details to come) 128p
 - South Fork Invitational- 128p.
 - Ladybirds Cup 90p
 - VFW 120p
 - Brunswick Seniors 80p
 - Men's Interclub (6 Home Matches)
 - Veteran's Golf Association 60p
 - SandPiper Dragons 70+p 2 dates
 - Crybabies 60p 2 Dates
 - SoBad 108p (Bid Submitted)
 - Wilmington Senior Golf Club 100+p
 - MGA Interclub Finale 120p
 - **Package Outlook:** Partnerships and Alliances are paying off.
 - As of Thursday: 819 Package Rounds booked for 2020.
 - 355 more rounds booked than same time last year.

HOUSE

- House Committee for 2019
 - Jim Platukis
 - Jim Bowers
 - Jon Peters
 - Rich Botto
 - LeRoy Knopfle
 - Tom Humenay
 - Barbara Horensky
 - Pat Hogan
 - Consultant----Joe Parnell

Completed tasks in 2019

- New ice machine installed in cart barn. Thanks for Jim Bowers assistance on the installation of electric power for unit.
- New roofs installed by Kyle Nicholson of ON TOP ROOFING.
 - A. Cart barn
 - B. Snack Shack
 - C. Pump house #15
 - D. Pump house # 16

New shingles, roof planks, painting
- Cintas contract terminated. Working with Coastal Carpet for paper products and cleaning. A savings of \$340.00 a month, or \$4080.00 per year.
- Fire Inspection deficiencies
 - A. Fire extinguisher additions to cart barn, maintenance facility, and restaurant.
 - B. Updated labels for gasoline and diesel fuel tanks, along with propane tank.
 - C. BFPE will be responsible for checking all extinguishers once a year, with updated tags.
 - D. Required to add address to cart barn. It s now 19-1

Future tasks and considerations for 2020

- Board replacement on bridges crossing ponds on holes # 15 and #16. Boards and hardware have already been purchased for #15.
- Replacement of Beverage Cart.

Thanks for your support and attention.

Ron Horensky.....House Committee Chairman

Election Results

Sandi Emerson

QUESTIONS & COMMENTS

MARKETING

MEMBERSHIP