

ANNUAL MEETING

Lockwood Folly Country Club

Jan 26, 2019

10 AM River Room

AGENDA

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

PRESIDENT

2018 WHAT A YEAR

- Harsh Winter
- Winter kill effecting several greens and many fairways
 - sprigged and laid sod
 - Took almost 5 months for everything to heal
- Superintendent walked off job, Assistant Superintendent and mechanic followed
- Bookkeeper resigned
- Jim Noel ran grounds and greens operation for a couple months
- Severe restaurant issues requiring incredible time and effort from Restaurant committee members.
- Anthony Perry just didn't work out.
- Severe rain in July followed by Hurricane Florence
 - Still working on some insurance recovery issues
- Wettest year on record – pumping ponds

LOOKING FORWARD TO 2019

- ✓ New Superintendent – excellent
- ✓ New Assistant Superintendent – excellent
- ✓ New Mechanic – excellent
- ✓ Part time bookkeeper – excellent
- ✓ New restaurant vendor – excellent
- ✓ Women's Amateur Championship – excellent

GOLF

- 2018 was an extremely difficult year for the Southeastern United States, the Carolinas, and especially the Myrtle Beach market.
- As a recap, The year began with an extended period of sub-freezing temperatures in January.
- An abnormally cool spring with late March freeze.
 - Both of which were detrimental to the health of our turfgrass.
 - Due to winter kill damage, rounds at Lockwood Folly as well as our whole market and region, were down significantly.
- Twenty one straight days of rain for July and early August.
 - Our busiest month of the year for volume and revenue.
- Two major hurricanes in September.
 - Hurricane Florence brought extensive flooding and damage to our golf course.
 - Brought on 18 consecutive days of course closure.
 - According to many long time members, was the longest stretch of consecutive closed days in memory.
- The wettest year on record by far. Our area received almost DOUBLE of the average annual rainfall.

2019 Outlook

- Implement and utilize programs to boost revenue
 - Group Golfer- Ran a January Promotion that earned close to \$10,000
 - GolfNow- Working closely with our market representative to capitalize on opportunities to add to existing programs.
 - East Coast Golf Management- Continue to be aggressive with Platinum Card play by offering competitive pricing and promotions.
 - Utilize revenue management program (Rev Tech) with dynamic pricing and forecasting.
 - Partner with our marketing committee and ECGM marketing department to continue building and fostering relationships with area package providers.
 - Take advantage of Co-Op opportunities and rebates offered through ECGM.
 - E Z Go
 - Pepsi
 - Integra
 - GolfNow
 - Create “Value Added Packages”.
 - Work with Coastal Catering and Joe to build golf and lunch specials.
 - Partner with select area courses to build multi-round and replay packages with lunch or merchandise attached.

- Continue to solicit and promote an increasingly successful tournament concession.
 - Proud host of the 2019 Women's Southern.
 - Have bid on for multiple rounds of the World Am.
 - Continue to solicit and promote an increasingly successful tournament concession.
 - Proud host of the 2019 Women's Southern.
 - Bid placed for multiple rounds of the World Am.
 - Booked Southport Invitational. 134 players in May.
 - Cultivate existing local area medium and larger groups to play Lockwood Folly on multiple occasions.
 - Retain existing tournaments
 - Southport/Oak Island Kiwanis
 - Brunswick Parks and Recreation
 - ATMC
 - D J Clemmons
 - Ladybirds
 - Men's Interclub
 - Fullwood/Johnson Classic

- Just returned from PGA Merchandise Show in Orlando.
 - Met with select vendors to pre-order pro shop merchandise.
- Met with E Z Links for information on upcoming changes for point of sale, and tee sheet.
- Attended meetings and functions to explore options with new technologies and products.
- Networked with industry professionals from different sides of the golf business with open forum discussions of best practices.

MARKETING

- A year of weather and other challenges for our golf course this year. Due to winter freeze, hurricane Florence and lack of a restaurant for a period advertising was limited.
- We participated with WWAY 3 for their Holiday golf package. This promo was on ABC/CBS and SW stations with over 200 commercials and each over 200,000 households in New Hanover, Brunswick, Pender, Columbus and Bladen counties. The promo's run the day after Thanksgiving through December 31st. Our logo was on their website with a click to our website. No out of pocket costs. Voucher is good for 1 one person only and they must pay cart fee. The voucher cannot be used before noon on weekends and holidays.

- AJ Gohil from ECGM is working with Century 12 Thomas realty on their VIP card that is given to all their condo owners and any winter guests. This initiative will be exclusive to participating ECGM courses. The condo owners and winter guests will get a round at \$35 plus tax throughout the year. The program is not valid in April, May or October. The special rate is valid for only 2 players per reservation and any additional players in the group are subject to our prevailing rate. Eric will be in touch regarding our participation.
- The sign at Stone Chimney has not yet been replaced. The design must be in a program that the vinyl company can use. This is currently being worked upon.
- We are continuing our contracts with Golf Tourism Solutions and East Coast Golf Management.

HOUSE

- Drop Boxes for LFCCI payments.
- Storage fenced area at maintenance shed area.
- Squirrels in ceiling of clubhouse.
- Punch list per Board of Health for restaurant.
- Cintas purchases of paper products changed over to Coastal Carpet Cleaning.
- Cart Barn storm damage; insurance adjustments.

GROUNDS & GREENS JANUARY 1 – JULY 20

- Thank you to the members of the Green Committee
Anne Bailey Al Saunders
Gary Armistead George Kelley
Dianne Hoffman Dan McGoughan
- Thank you to all who participated in the divot filling party. Al Saunders provided the food and Jack and Ann Mary Keenan provided the drinks.
- Thank you to all who worked on trimming and cleaning out all the ornamental beds on the golf course.
- Thank you to all who helped with the clean up from Hurricane Florence.
- 2018 was a very challenging year. Extreme cold caused significant turf loss to green , tee and fairways. Over 20 inches of rain fell in the end of July and early August. And Hurricane Florence came and dumped another 30 inches in September for a year end total of over 100 inches of rain.
- Trees were removed on #4 and #7. The bare areas were sodded
- Greens were sprigged along with some sodding in early June. Within a month all greens were filled in and playable again.
- The worst tees and fairways were aerified.
- Tim Cunningham was hired as Superintendent July 20th.

GROUNDS & GREENS JULY 20 – DECEMBER 31

- Hiring Assistant Supt, Equipment Tech, and Greens Staff
- Pumping water, pumping water, pumping more water
- Fixing irrigation leaks and managing the pumping station
- Hurricane Florence and the Clean-up
- Tee Ryegrass Overseeded
- Fairway Sod installed and All Fairways aerified
- Clearing underbrush, dead trees and scrub plant material #2
- Leveling #1 Gold Tee
- Cart path repairs (Flat Paths, Cold Patch, Morrow Stone)
- Tree work Completed affecting Aesthetics, Pace of play and Turf Health
- Bunker edging and grooming
- Greens Covers on site and put in place Sunday Jan. 20

MEMBERSHIP

Joined in 2018 and current	Resigned in 2018
Allman, Richard ad Jane	Ebbert, Lois
Blatz, John and Katherine	Jackowski, Stephen and Diane
Ferguson, Sam; Maultsby, Judy	Jacobs, Nancy
Goodwin, Tom and Marie	Love, Randy and Darlene
Grochowski, Mike	McIntosh, Charles
Grochowski, Stephen and Kathleen	Parker, Earl (deceased)
Hudon, Don	Pascale, Gerald and Georgine
Julian, Phil and Brenda	Pellegrinelli, Louis and Lorraine (deceased)
LePeter, Alan and Kay	Rosenow, John and Jean
Meola, Matt	Westmoreland, Doug
Murphy, Mark and Kim	Williams, Tom and Marie
Maxwells Beach House	Wood, David and Cindy
Oliver, William and Edna	
TOTAL = 13	TOTAL = 12

Total Membership = 135

There are a total of 6 members currently under suspension for lack of payment. Those suspended members are not listed in the above count. Four of the six should have been removed from the membership category in 2017. They were mistakenly listed as members and included in our membership totals until Theresa removed them. During the year 2018, we have suspended two for lack of payment.

TREASURER

Fourth Quarter 2018					
FINANCIAL RESULTS					
	Oct-Dec	Oct-Dec		Oct-Dec	
	2018	2018	B / (W)	2017	B / (W)
	Actual	Budget	Budget	Actual	2017
OPERATIONS:					
REVENUE	\$ 191,333	\$ 226,507	\$ (35,174)	\$ 226,733	\$ (35,400)
EXPENSE	\$ 263,886	\$ 266,385	\$ 2,499	\$ 240,632	\$ (23,254)
OPERATING INCOME	\$ (72,553)	\$ (39,878)	\$ (32,675)	\$ (13,899)	\$ (58,654)
OAK & ANCHOR	\$ (4,012)	\$ (2,137)	\$ (6,149)	\$ (9,084)	\$ 5,072
STORM CLEANUP	\$ 20,734		\$ 20,734	\$ 600	\$ 20,134
NET INCOME	\$ (55,831)	\$ (42,015)	\$ (18,090)	\$ (22,383)	\$ (33,448)

Fourth Quarter 2018

FINANCIAL RESULTS

REVENUE

	Oct-Dec 2018 Actual	Oct-Dec 2018 Budget	B / (W) Budget	Oct-Dec 2017 Actual	B / (W) 2017
Outside & Community Play	\$ 111,955	\$ 138,352	\$ (26,397)	\$ 128,269	\$ (16,314)
Member Income	\$ 68,033	\$ 72,531	\$ (4,498)	\$ 78,004	\$ (9,971)
Other Revenue	\$ 11,345	\$ 15,624	\$ (4,279)	\$ 20,460	\$ (9,115)
Total Revenue	<u>\$ 191,333</u>	<u>\$ 226,507</u>	<u>\$ (35,174)</u>	<u>\$ 226,733</u>	<u>\$ (35,400)</u>

2018 NET INCOME

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year	Year	
	2018	2018	2018	2018	2018	2017	B / (W)
	Actual	Actual	Actual	Actual	Actual	Actual	2017
OPERATIONS:							
REVENUE	\$ 332,158	\$ 313,838	\$ 275,126	\$ 191,333	\$ 1,112,455	\$ 1,192,182	\$ (79,727)
EXPENSE	\$ 281,895	\$ 280,328	\$ 238,593	\$ 263,886	\$ 1,064,702	\$ 981,556	\$ (83,146)
OPERATING INCOME	\$ 50,263	\$ 33,510	\$ 36,533	\$ (72,553)	\$ 47,753	\$ 210,626	\$ (162,873)
STORM CLEANUP				\$ 20,734	\$ 20,734	\$ (3,046)	\$ 23,780
OAK & ANCHOR	\$ (13,073)	\$ (12,197)	\$ 4,487	\$ (4,012)	\$ (24,795)	\$ (26,630)	\$ 1,835
NET INCOME	\$ 37,190	\$ 21,313	\$ 41,020	\$ (55,831)	\$ 43,692	\$ 180,950	\$ (137,258)

CASH FLOW		
		Year
		2018
		Actual
Beginning Cash		\$ 101,565
Net Income (Before Depreciation)		\$ 43,692
Change In Working Capital:		
Decrease In Accounts Receivable		\$ 14,495
Decrease In Inventory		\$ 18,806
Increase In Other Assets		\$ (3,451)
Increase In Accounts Payable		\$ 1,722
Decrease Prepaid Member Dues		\$ (41,066)
Increase In BB&T Credit Line Borrowing		\$ 80,000
Increase In Other Current Liabilities		\$ 8,616
Total Change In Working Capital		<u>\$ 79,122</u>
Purchase Machinery & Equipment		\$ (26,900)
Loan Payments (Principal)		\$ (40,522)
Repay One Year Member Pay It Forward		\$ (91,200)
Net Equipment Lease Activity		
Ending Cash		<u>\$ 65,757</u>

Balance Sheet ASSETS

CURRENT ASSETS:			
Cash	\$	65,757	\$ 101,565
Accounts Receivable	\$	14,012	\$ 28,507
Insurance Claim Receivable			
Inventory	\$	24,936	\$ 43,742
Prepaid Expenses	\$	3,657	\$ 206
Due from The Grill at Lockwood Folly			
TOTAL CURRENT ASSETS	\$	108,362	\$ 174,020
NET FIXED ASSETS	\$	1,450,310	\$ 1,423,410
OTHER ASSETS (Water Meter Deposit)	\$	125	\$ 125
TOTAL ASSETS	\$	1,558,797	\$ 1,597,555

Balance Sheet LIABILITIES and MEMBERS EQUITY

LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable	\$ 11,450	\$ 9,728
Prepaid Member Dues	\$ 7,890	\$ 48,956
BB&T Line of Credit	\$ 80,000	
Other Current Liabilities	\$ 9,500	\$ 884
TOTAL CURRENT LIABILITIES	\$ 108,840	\$ 59,568
LOANS & LONG TERM LIABILITIES:		
BB&T Loan	\$ 218,263	\$ 258,785
Prepaid Member Dues (Pay-It-Forward)	\$ 57,600	\$ 148,800
Equipment Leases	\$ 146,911	\$ 146,911
TOTAL LOANS & LONG TERM LIABILITIES	\$ 422,774	\$ 554,496
TOTAL LIABILITIES	\$ 531,614	\$ 614,064
MEMBERS EQUITY:		
Member Equity and Paid In Capital	\$ 2,430,601	\$ 2,430,601
Retained Earnings:	\$ (1,447,110)	\$ (1,534,829)
Current Year Operating Income/(Loss)	\$ 43,692	\$ 180,950
Current Year Depreciation		\$ (93,231)
Total Retained Earnings	\$ (1,403,418)	\$ (1,447,110)
TOTAL MEMBERS EQUITY	\$ 1,027,183	\$ 983,491

The Year In Review

THE GOOD

- Lost Food Service Vendor
- Replaced the Grounds & Greens Salary Staff with Upgrades
- Made Golf Course Improvements with Internal Resources
- Purchased Covers for Greens to Protect Against Winter Kill
- Hurricane Cleanup Costs Were Mostly Covered by Insurance
- Revised the Membership Offering to Improve Membership Value Proposition

THE BAD

- Lost Holden Paterson, the Assistant Pro
- The Weather Was Against Us
 - Winter Kill
 - Hurricane
 - Unprecedented Rainfall
- Had To Borrow \$80,000 On the Credit Line
- Rivers Edge Joining the Friends of the Glens

Calendar Year 2019
2019 Quarterly BudgetBUDGET

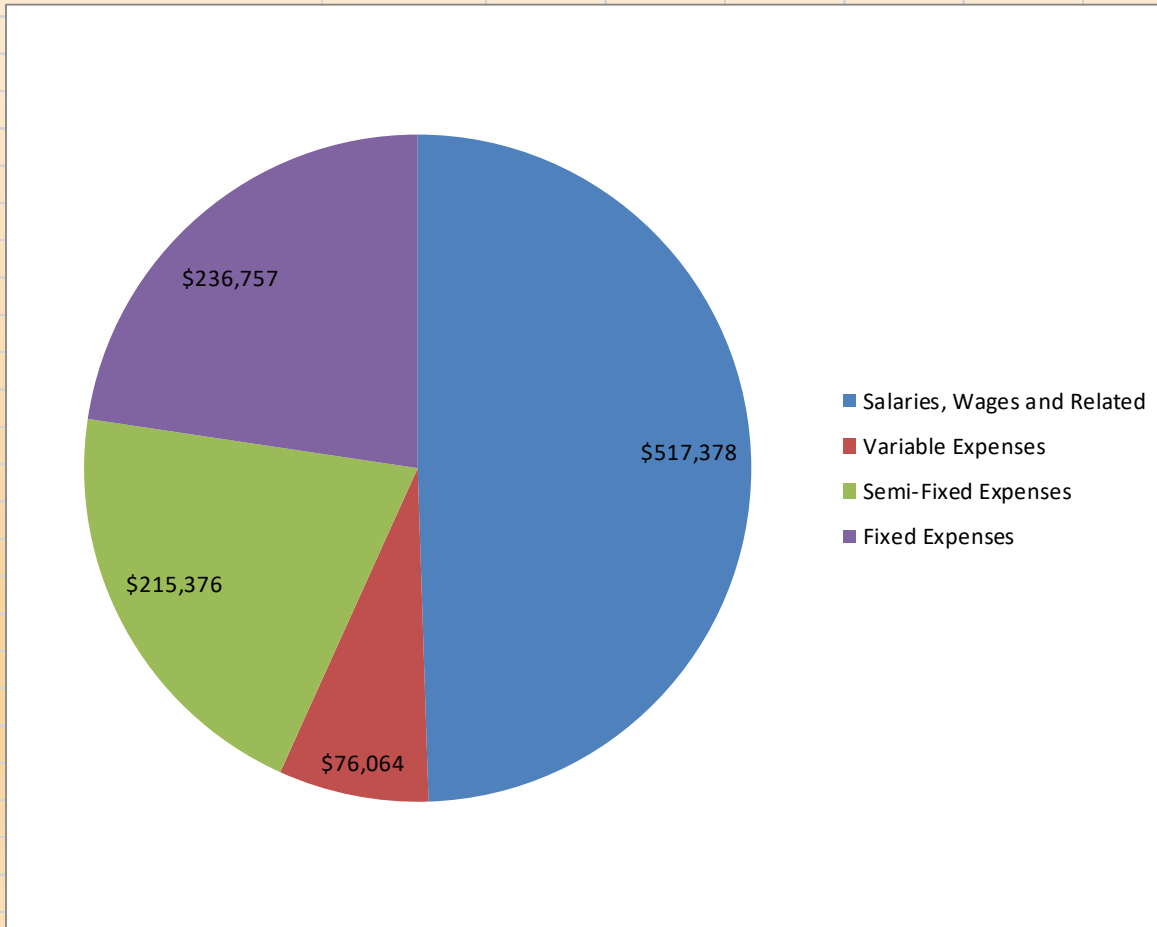
	1st Quarter 2019 Budget	2nd Quarter 2019 Budget	3rd Quarter 2019 Budget	4th Quarter 2019 Budget	Year 2019 Budget
GOLF OPERATIONS:					
REVENUE	\$ 226,537	\$ 372,304	\$ 354,789	\$ 264,724	\$ 1,218,354
EXPENSE	\$ 261,104	\$ 295,723	\$ 269,759	\$ 250,654	\$ 1,077,240
OPERATING INCOME	\$ (34,567)	\$ 76,581	\$ 85,030	\$ 14,070	\$ 141,114
DISCRETIONARY BONUSES					\$ -
PROJECT SPENDING- NEW RESTROOM					\$ -
STORM CLEANUP RESERVE				\$ (10,000)	\$ (10,000)
NET INCOME- GOLF OPERATIONS	\$ (34,567)	\$ 76,581	\$ 85,030	\$ 4,070	\$ 131,114
OAK & ANCHOR OPERATIONS:					
RENTAL INCOME	\$ 7,650	\$ 7,950	\$ 7,950	\$ 7,650	\$ 31,200
RENT EXPENSES	\$ 3,500	\$ 4,000	\$ 4,000	\$ 3,500	\$ 15,000
NET INCOME- OAK & ANCHOR RENTAL	\$ 4,150	\$ 3,950	\$ 3,950	\$ 4,150	\$ 16,200
NET INCOME	\$ (30,417)	\$ 80,531	\$ 88,980	\$ 8,220	\$ 147,314

Calendar Year 2018

GOLF OPERATION BUDGETED EXPENSES by CATEGORY

Budgeted Expenses by Category

Salaries, Wages and Related	\$ 517,378
Variable Expenses	\$ 76,064
Semi-Fixed Expenses	\$ 215,376
Fixed Expenses	\$ 236,757



TERM EXPIRES TODAY

- Don Brewer
- Jon Peters
- Linda Issitt
- Renee Edwards

Election Results

Sandi Emerson

QUESTIONS & COMMENTS

VICE PRESIDENT