

QUARTERLY MEETING

Lockwood Folly Country Club

October 18, 2017

4 PM River Room

AGENDA

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

PRESIDENT

- Year of significant weather events
 - Record cold Winter (causing winter kill on greens and fairways)
 - Record rainy Spring
 - Heavy rain in July
 - Hurricane Florence
- Weather continues to challenge our ability to generate revenue.
- Hurricane Florence dumped 20+ inches of rain and a high amount of downed trees, debris and record flooding.
- Mandatory evacuation delayed the start of cleanup by a couple days because area wide flooding prohibited everyone's return.
- Tim Cunningham quickly determined what needed to be done and forged a plan of attack:
 - More pumps
 - More people with more hours
 - Carolina Tree
- Reminder that deadline for members to self-nominate for Board of Directors is no later than Saturday October 26, 2018
 - Contact Kathy Spinoso 846-4574
- **Volunteers – THANK YOU!**



Hole #1

Viewed from Cart path
150 yard line



Hole #14

Viewed from
Mr. Peters yard



Hole #5

Viewed from cart path
near Pump House



Hole # 9

Viewed from cart path
near first bunker



Hole #12

Viewed from high ground
near orange tees looking
back to blue tees



Hole #12

Viewed behind blue
tee looking down the
fairway





Hole #17

Note left sand trap under water

Hole #18

Viewed across green



VICE PRESIDENT

- Oak & Anchor
 - Customer Comments and Emails
 - Status

GROUNDS & GREENS

- So far this has been a very challenging year. All weather related.
- The Golf Course continues to get better in spite of all the temporary setbacks.
- Since Tim Cunningham has been come on board July 20th, we had two weeks of constant rain totaling 23 inches. Then we had four weeks of no rain followed up by Hurricane Florence.

- Accomplishments so far include:
 - Cart paths were ground and most of the humps were removed.
 - Tees and fairways were aerified.
 - Fairways with the bare areas were seeded with some success.
 - Irrigation pumps were repaired.
 - More than two dozen irrigation heads were repaired.
 - Greens were aerified.
 - Weeds were sprayed.
 - Golf course has been fertilized wall to wall.
 - Many ponds have needed be pumped numerous times.
 - Clean up from hurricane.
 - Assistant Superintendent, Equipment Technician and some new staff members have been hired.
- Thank you for your patience and support through this year of challenges. We look forward to a continually improving golf course for you to enjoy.

GOLF

- After a terrific August, (which included 2 rounds of the Myrtle Beach World Golf Amateur Championships), September presented obvious revenue challenges:
 - Aerification- 2 days with extremely dismal revenue generated.
 - Necessary and much-needed.
 - Hurricane Florence- 18 days of little or **NO** revenue generated due to storm impact.
 - Closed from 12pm Wednesday 9/13 thru 7:30am 9/28.
 - Opened at 7:30 on Friday 9/28 to 2 inches of rain at 8:00am...
- Grounds crew did a remarkable job moving flood waters, removing debris and trees to get golf course open, safe, and playable as quickly as possible after the storm.

- A couple of days after re-opening, we were able to capitalize on “Cabin Fever” from local golfers.
 - ATMC tournament on Sunday 9/30- 104 players.
 - Wilmington Senior Golf Club Monday 10/1- 75 players.
 - Club Championship Tuesday 10/2 and Thursday 10/4- 26 players.
 - Men’s Club Champion- Dan McGougan.
 - Ladies Club Champion- Laura Botto.
 - Both will compete in the Brunswick Beacon Tournament of Champions 11/3 & 4.
 - Brunswick Family Assistance Monday 10/8- 128 players.
 - Crybabies Tuesday 10/9- 40 players.
- **Upcoming Golf Events:**
 - Course Closure- Wednesday 10/10. Completion of storm cleanup.
 - Course Closure- Morning Thursday 10/11. Completion of storm cleanup. Open to member play after 11:00am.
 - VFW Tournament- Saturday 10/13- 60 players.
 - Brunswick County Parks and Recreation- Wednesday 10/17- 51 players.
 - MGA Member/Member- Friday 10/19 & Saturday 10/20- 40+ players.
 - LGA Scramble- Thursday 10/25- 30+ players.

- Sandpiper Dragons- Saturday 10/27-48 players.
 - Harris Group- Saturday 10/27- 36 players.
 - Only 2 tee times left for split tees on Saturday 10/27...
 - Hackers- Thursday 11/1- 60 players.
 - Brunswick Baptist Association- Saturday 11/3- 80+ players.
 - MGA Turkey Cup- Tuesday 11/13- 40+ players.
 - Veterans Day Mixer- Monday 11/12- 70+ players.
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- Package Play and web booked rounds/dollars to date, are up \$30,000.00 from the same time-period last year.
 - Using an aggressive strategy to book distressed early and mid-afternoon tee times.
 - Utilizing discounted afternoon and twilight golf rates, and marketing them through the email club.
 - Working with Oak and Anchor to create Golf and Lunch package specials for the month of November.

HOUSE

- Overflow pan drained at snack shack
- Working on repair estimates for cart Barn roof.
- Tasked to increase revenues.
 - Looking at expanding fenced area around maintenance shed for small trailers.

MEMBERSHIP

Membership Committee: Renee Edwards, Joy Buchholz, Peggy Salayi, Barb Horensky, Jean D'Addario, and Eric Morgan

- Welcome to our newest members:
 - Sam Ferguson and Judy Maultsby
 - Al and Kay LePeter
 - Al and Paula Liland, changed to full membership
 - David Megginson, range member
- We mourn the loss of longtime member, Earl Parker
- This quarter the Membership Committee posted the Snowbird Membership information on Social Media through our email club and LFCCI Website.
- The Membership Committee also hosted the LFCCI dinner and dance on October 6.

TREASURER

Third Quarter 2018

FINANCIAL RESULTS

	July - Sept 2018 Actual	July - Sept 2018 Budget	B / (W) Budget	July - Sept 2017 Actual	B / (W) 2017
OPERATIONS:					
REVENUE	\$ 274,826	\$ 347,263	\$(72,437)	\$ 322,827	\$ (48,001)
EXPENSE	\$ 239,583	\$ 262,612	\$ 23,029	\$ 245,177	\$ 5,594
OPERATING INCOME	\$ 35,243	\$ 84,651	\$(49,408)	\$ 77,650	\$ (42,407)
OAK & ANCHOR	\$ 2,151		\$ 2,151	\$ -	\$ 2,151
PROJECT SPENDING	\$ -	\$ -	\$ -	\$ -	\$ -
STORM CLEANUP	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME	\$ 37,394	\$ 84,651	\$(47,257)	\$ 77,650	\$ (40,256)

**Third Quarter 2018
FINANCIAL RESULTS
REVENUE**

	July - Sept 2018 Actual	July - Sept 2018 Budget	B / (W) Budget	July - Sept 2017 Actual	B / (W) 2017
Outside & Community Play	\$ 176,538	\$ 227,252	\$ (50,714)	\$ 202,001	\$ (25,463)
Member Income	\$ 84,655	\$ 99,117	\$ (14,462)	\$ 98,886	\$ (14,231)
Other Revenue	\$ 13,633	\$ 20,894	\$ (7,261)	\$ 21,940	\$ (8,307)
Total Revenue	<u>\$ 274,826</u>	<u>\$ 347,263</u>	<u>\$ (72,437)</u>	<u>\$ 322,827</u>	<u>\$ (48,001)</u>

Third Quarter 2018

FINANCIAL RESULTS

EXPENSES

	July - Sept 2018 Actual	July - Sept 2018 Budget	B / (W) Budget	July - Sept 2017 Actual	B / (W) 2017
Administration	\$ 37,698	\$ 37,476	\$ (222)	\$ 30,238	\$ (7,460)
Grounds	\$ 127,511	\$ 153,895	\$ 26,384	\$ 142,041	\$ 14,530
Pro Shop	\$ 67,053	\$ 63,370	\$ (3,683)	\$ 61,549	\$ (5,504)
Marketing	\$ 2,329	\$ 2,455	\$ 126	\$ 2,185	\$ (144)
House	\$ 2,728	\$ 3,348	\$ 620	\$ 5,946	\$ 3,218
Membership	\$ (482)	\$ -	\$ 482	\$ -	\$ 482
Projects	\$ -		\$ -	\$ -	\$ -
Hurricane- Storm Cleanup	\$ -		\$ -	\$ -	\$ -
Interest	\$ 2,746	\$ 2,068	\$ (678)	\$ 3,218	\$ 472
Total Operating Expenses	\$ 239,583	\$ 262,612	\$ 23,029	\$ 245,177	\$ 5,594

2018 Forecast

NET INCOME

	1st Quarter 2018 Actual	2nd Quarter 2018 Actual	3rd Quarter 2018 Actual	4th Quarter 2018 Forecast	Year 2018 Forecast	Year 2018 Budget	Year 2017 Actual
OPERATIONS:							
REVENUE	\$ 332,374	\$ 316,846	\$ 274,826	\$ 219,365	\$ 1,143,411	\$ 1,280,325	\$ 1,192,147
EXPENSE	\$ 282,077	\$ 279,377	\$ 239,583	\$ 262,448	\$ 1,063,485	\$ 1,119,848	\$ 1,008,765
OPERATING INCOME	\$ 50,297	\$ 37,469	\$ 35,243	\$ (43,083)	\$ 79,926	\$ 160,477	\$ 183,382
OAK & ANCHOR	\$ (13,055)	\$ (14,191)	\$ 2,151	\$ 5,363	\$ (19,732)	\$ 25,608	\$ (26,386)
HURRICANE Storm Cleanup:				\$ 10,000	\$ 10,000	\$ 10,000	\$ 2,446
NET INCOME	\$ 37,242	\$ 23,278	\$ 37,394	\$ (47,720)	\$ 50,194	\$ 176,085	\$ 154,550

OAK & ANCHOR

NET INCOME

	1st Quarter 2018 Actual	2nd Quarter 2018 Actual	3rd Quarter 2018 Actual	4th Quarter 2018 Forecast	Year 2018 Forecast	Year 2018 Budget
OPERATIONS:						
REVENUE						
Restaurant Sales	\$ 48,560	\$ 43,133			\$ 91,693	\$ 267,360
Catering	\$ 4,787	\$ 8,864			\$ 13,651	\$ 53,472
Other	\$ 924	\$ (187)	\$ 8,304	\$ 7,500	\$ 16,541	
TOTAL REVENUE	\$ 54,271	\$ 51,810	\$ 8,304	\$ 7,500	\$ 121,885	\$ 320,832
PRIME EXPENSE						
Food Cost	\$ 25,262	\$ 27,734			\$ 52,996	\$ 128,332
Labor	\$ 30,002	\$ 28,864			\$ 58,866	\$ 120,314
TOTAL PRIME EXPENSE	\$ 55,264	\$ 56,598	\$ -	\$ -	\$ 111,862	\$ 248,646
GROSS PROFIT	\$ (993)	\$ (4,788)	\$ 8,304	\$ 7,500	\$ 10,023	\$ 72,186
OVERHEAD EXPENSES	\$ 12,062	\$ 9,403	\$ 6,153	\$ 2,137	\$ 29,755	\$ 46,578
OAK & ANCHOR NET INCOME (LOSS)	\$ (13,055)	\$ (14,191)	\$ 2,151	\$ 5,363	\$ (19,732)	\$ 25,608

BALANCE SHEET

	Sept 30, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash	\$ 52,179	\$ 101,565
Accounts Receivable	\$ 29,127	\$ (20,450)
Inventory	\$ 32,785	\$ 43,742
Prepaid Expenses	\$ 5,777	\$ 206
TOTAL CURRENT ASSETS	\$ 119,868	\$ 125,063
NET FIXED ASSETS	\$ 1,436,947	\$ 1,019,505
OTHER ASSETS (Water Meter Deposit)	\$ 125	\$ 125
TOTAL ASSETS	\$ 1,556,940	\$ 1,144,693

BALANCE SHEET		
	Sept 30, 2018	December 31, 2017
LIABILITIES and MEMBERS EQUITY		
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable	\$ 20,170	\$ 9,727
Other Current Liabilities	\$ 15,535	\$ 885
TOTAL CURRENT LIABILITIES	\$ 35,705	\$ 10,612
LOANS & LONG TERM LIABILITIES:		
BB&T Loan	\$ 229,618	\$ 258,785
Prepaid Member Dues (Pay-It-Forward)	\$ 63,300	\$ 148,800
Equipment Leases	\$ 146,912	\$ 146,912
TOTAL LOANS & LONG TERM LIABILITIES	\$ 439,830	\$ 554,497
TOTAL LIABILITIES	\$ 475,535	\$ 565,109
MEMBERS EQUITY:		
Member Equity and Paid In Capital	\$ 2,430,601	\$ 2,430,601
Retained Earnings:	\$ (1,447,110)	\$ (1,846,613)
Current Year Operating Income	\$ 97,914	\$ 154,550
Current Year Depreciation		\$ (158,954)
Total Retained Earnings	\$ (1,349,196)	\$ (1,851,017)
TOTAL MEMBERS EQUITY	\$ 1,081,405	\$ 579,584
TOTAL LIABILITIES and MEMBERS EQUITY	\$ 1,556,940	\$ 1,144,693

The Quarter In Review

THE GOOD

- We Survived
- Worked Hard on Recovering from Hurricane Florence
- Ordered Covers for the Greens
- 2017 Audit and Financial Statements Issued
- Replaced the Grounds and Greens Salary Staff
- Hired a Part Time Accountant- Theresa Bryant

THE BAD

- The Weather Hurt
- Third Quarter Revenue \$72,000 Below Budget, but Expenses \$23,000 Favorable to Budget.
- Cash Position Has Decreased \$23,000 During the Quarter.
- Accounts Payable Is High at \$20,170, but Paid Down \$26,541 in the Third Quarter.
- Oak & Anchor Performance

Calendar Year 2018

OUTLOOK

Opportunities:

- Membership Committee's "Snowbird Membership" May Encourage New Members
- Encourage New Residents to Join LFCC
- Brunswick Plantation's New Owner May Help Promote Package Play at LFCC
- Optimistic About Tim Cunningham and the Grounds and Greens Team
- "Pay It Forward" will be Paid Back in 2019

Risks:

- If Revenue Does Not Materialize We May Have to Borrow from our Operating Line of Credit
- Cost of Hurricane Damage

QUESTIONS & COMMENTS

MARKETING