

QUARTERLY MEETING

Lockwood Folly Country Club

7 18, 2019

4 PM Pool House

AGENDA

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

PRESIDENT

VICE PRESIDENT

GOLF

- Impact of Lightning Strike and Clubhouse Closure on Golf Operations
 - Insurance will evaluate merchandise and equipment damages soon.
 - Lost about 2 days revenue
 - Relocation to temporary pro shop has had its challenges, i.e., POS transfers, merchandise lack of sales, limited access to facilities, etc.
 - Golf Cart Damage to 14 carts and 10 chargers.

- The Business Side
 - **1st Quarter 2019**- Exceeded golf operations revenue projections- First time in many years with positive 1st quarter.
 - **2nd Quarter 2019**- Shortfall in golf ops revenue projections.
 - April- Wet month, and small tine aerification- play was down.
 - May- Rebounded strongly and exceeded revenue golf projections.
 - June- Later than usual core aerification- discounted rates for week and a half put us considerably behind in revenue.
 - **AERIFICATION WAS NECESSARY FOR PUTTING GREEN HEALTH!**
 - **3rd Quarter outlook**- Recent clubhouse closure broke our stride, HOWEVER, very good chance to level off and still realize revenue projections for July.
 - August tournaments and pre-books look positive.
 - September bookings look very positive as well.

Golf Course is in tremendous shape and will only get better as summer continues.

- Quarter 2 Tournaments
 - Hosted South Fork Invitational- 5/18; 124 Players.
 - Hosted Sheriff John Ingram Tournament- 5/31; 108 players.
 - Verbal request to return to Lockwood Folly next year.
 - **Hosted Very Successful Women's Southern Golf Association Championships.**
 - **Financially Successful.**
 - **Public Relations Perspective:**
 - **Immeasurable.**
 - **Many different Media Outlets involved at NO COST TO LFCC.**
 - Hosted Southport/Oak Island Kiwanis Tournament- 6/30; 132 players.
 - Verbal request to return next year.

- Some Significant Revenue Numbers



- **2018 Total Package Play Rounds: 853 (ALL YEAR).**
- **2019 Package Play Bookings to Date: 957 (fall bookings just beginning).**

- **2018 Total Online Rounds: 2,048 (ALL YEAR).**
- **2019 Online Bookings to Date: 2,412.**

- **2018 Total Package and Web Dollars: \$93,487.**
- **2019 Total Package and Web Dollars to Date: \$86,033.**

- On the Horizon...
 - Member Par 3 Tournament, Picnic, and Pool Party. 66 players... This Sunday.
 - Negotiating Brunswick Community College Tournament- Saturday August 17.
 - Ladybirds- August 22
 - World Am- Tuesday and Wednesday August 27-28.
 - Added ATMC Tournament. 100 players in Sunday afternoon Shotgun. September 29.
 - VFW Tournament- Saturday October 12 100+ players.
 - Added Brunswick County Arts Council Tournament. Saturday October 26. 120 players.

- Folds Of Honor
 - Award
 - Patriot Day Weekend
 - Eric – Donations for 100 Hole Marathon

MARKETING

- YELP
 - Increased our presence on the website. 6/16/19-7/15/19 51% of yearly total.
- GOOGLE
 - Beginning to explore the cost and increasing of the LFCC presence there
- COUPON
 - Redoing the discount coupon to be placed with rentals on the beach with Boomer.
- Contacted by Bettys and Duffer's owner about a working arrangement.

HOUSE

1. Painted pump house on #5.
2. Painted trim and doors on restrooms at # 13 and# 14, with the help of Dave Notter.
3. Ordered and received yellow paint for cart crossing lines. Thanks to Mike Blount from Tim Cunningham's staff for completion of that task.
4. Received paper dispensers from Coastal Carpet, along with paper products. Removed Cintas equipment and replaced with new units. Paper products were also filled. Cintas equipment is being stored in upstairs maintenance shed. We now own the paper dispensers.
5. Beverage Cart sent out for repair, utilizing Grahams Cart Service in North Myrtle.
6. Pressure washed Snack Shack building, inside and out.
7. Cintas paper product purchases are finally corrected. A monthly savings of \$400.00, or \$4800.00 a year.

Discussion point:

1. Should consider purchase of new beverage cart for 2020. Unit recommended should have hot food warmer, along with regular storage for drinks and snacks.

GROUNDS & GREENS

- July 20, 2018 Tim Cunningham's first day on property at Lockwood Folly Country Club as the Golf Course Superintendent...then & now
- Building a team! Assistant superintendent + equipment tech. + staff
- WSGA amateur/mid-amateur championships a success
- Foundation for turf health! Work completed fall/winter/spring
 - tree pruning, removal & stump grinding
 - drainage installation on #12,14, 15 & 18
 - aerway fairways
 - sod installations on #1, 3, 4, 8, 10, 11, 12, 13, 14, 15, 17
 - pine straw beds added (#1, 2, 4, 6, 12, 13 & 18) + mulch
- S.N.O.W. (sunlight, nutrients, oxygen & water) gives you healthy turf
- Moving forward today and beyond
- Continue working daily to improve our golf facility at Lockwood Folly Country Club and implement Master Plan renovations

MEMBERSHIP

- Explanation of the Member process
 - Where we stand
 - Future goals

TREASURER

Second Quarter 2019

FINANCIAL RESULTS

	Apr - June 2019 Actual	Apr - June 2019 Budget	B / (W) Budget	Apr - June 2018 Actual	B / (W) 2018
OPERATIONS:					
REVENUE	\$ 319,138	\$ 372,304	\$ (53,166)	\$ 316,846	\$ 2,292
EXPENSE	\$ 304,839	\$ 295,723	\$ (9,116)	\$ 279,377	\$ (25,462)
OPERATING INCOME	\$ 14,299	\$ 76,581	\$ (62,282)	\$ 37,469	\$ (23,170)
OAK & ANCHOR	\$ 4,178		\$ 4,178	\$ (14,339)	\$ 18,517
PROJECT SPENDING	\$ -	\$ -	\$ -	\$ -	\$ -
STORM CLEANUP		\$ -	\$ -	\$ -	\$ -
NET INCOME	\$ 18,477	\$ 76,581	\$ (58,104)	\$ 23,130	\$ (4,653)

Second Quarter 2019

FINANCIAL RESULTS

REVENUE

	Apr - June 2019 Actual	Apr - June 2019 Budget	B / (W) Budget	Apr - June 2018 Actual	B / (W) 2017
Outside & Community Play	\$ 212,646	\$ 234,550	\$ (21,904)	\$ 200,202	\$ 12,444
Member Income	\$ 90,759	\$ 123,608	\$ (32,849)	\$ 95,052	\$ (4,293)
Other Revenue	\$ 15,733	\$ 14,146	\$ 1,587	\$ 21,592	\$ (5,859)
Total Revenue	\$ 319,138	\$ 372,304	\$ (53,166)	\$ 316,846	\$ 2,292

Second Quarter 2019

FINANCIAL RESULTS

EXPENSES

	Apr - June 2019 Actual	Apr - June 2019 Budget	B / (W) Budget	Apr - June 2018 Actual	B / (W) 2018
Administration	\$ 24,087	\$ 28,042	\$ 3,955	\$ 45,147	\$ 21,060
Grounds	\$ 194,826	\$ 178,292	\$ (16,534)	\$ 142,955	\$ (51,871)
Pro Shop	\$ 70,592	\$ 73,311	\$ 2,719	\$ 72,879	\$ 2,287
Marketing	\$ 6,300	\$ 10,060	\$ 3,760	\$ 11,039	\$ 4,739
House	\$ 4,771	\$ 3,323	\$ (1,448)	\$ 4,244	\$ (527)
Membership	\$ -	\$ 475	\$ 475	\$ 237	\$ 237
Interest	\$ 4,263	\$ 2,220	\$ (2,043)	\$ 2,876	\$ (1,387)
Total Operating Expenses	\$ 304,839	\$ 295,723	\$ (9,116)	\$ 279,377	\$ (25,462)

Second Quarter 2019

2019 Forecast

NET INCOME

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year	Year	Year
	2019	2019	2019	2019	2019	2019	2018
	Actual	Actual	Forecast	Forecast	Forecast	Budget	Actual
OPERATIONS:							
REVENUE	\$ 312,681	\$ 319,138	\$ 327,339	\$ 222,925	\$ 1,182,083	\$ 1,218,354	\$ 1,128,550
EXPENSE	\$ 242,851	\$ 304,839	\$ 272,759	\$ 263,655	\$ 1,084,104	\$ 1,077,240	\$ 1,065,191
OPERATING INCOME	\$ 69,830	\$ 14,299	\$ 54,580	\$ (40,730)	\$ 97,979	\$ 141,114	\$ 63,359
OAK & ANCHOR	\$ (5,188)	\$ 4,178	\$ 3,000	\$ 2,500	\$ 4,490	\$ 20,100	\$ (48,061)
HURRICANE Storm Cleanup:	\$ (3,844)			\$ 10,000	\$ 6,156	\$ 10,000	\$ (20,734)
NET INCOME	\$ 68,486	\$ 18,477	\$ 57,580	\$ (48,230)	\$ 96,313	\$ 151,214	\$ 36,032

First Quarter 2019		
FINANCIAL RESULTS		
CASH FLOW		
		Q2
		2019
		Actual
Beginning Cash		\$ 55,205
Cash Provided From Q2 2019 Operations		\$ 18,477
Change In Working Capital:		
Increase In Accounts Receivable		\$ (82)
Increase In Inventory		\$ (7,041)
Increase In Accounts Payable		\$ 60,087
Decrease In other Liabilities		\$ (32,064)
Total Change In Working Capital		\$ 20,900
Purchase Equipment		\$ (24,218)
Loan Payments (Mortgage Principal)		\$ (11,271)
Borrow On Credit Line		\$ 19,545
Decrease In PAY IT FORWARD		\$ (10,270)
Ending Cash		\$ 68,368

First Quarter 2019
FINANCIAL RESULTS
BALANCE SHEET

	June 30, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash	\$ 68,368	\$ 64,754
Accounts Receivable	\$ 817	\$ (4,144)
Inventory	\$ 31,543	\$ 24,936
Prepaid Expenses	\$ 6,886	\$ 6,798
TOTAL CURRENT ASSETS	\$ 107,614	\$ 92,344
NET FIXED ASSETS	\$ 1,070,624	\$ 1,046,406
OTHER ASSETS (Water Meter Deposit)	\$ 125	\$ 125
TOTAL ASSETS	\$ 1,178,363	\$ 1,138,875

BALANCE SHEET		
	June 30, 2019	December 31, 2018
LIABILITIES and MEMBERS EQUITY		
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable	\$ 104,067	\$ 22,798
Other Current Liabilities	\$ (37,981)	\$ 2,937
TOTAL CURRENT LIABILITIES	\$ 66,086	\$ 25,735
LOANS & LONG TERM LIABILITIES:		
BB&T Mortgage	\$ 195,720	\$ 218,263
BB&T Credit Line	\$ 60,407	\$ 80,000
Prepaid Member Dues (Pay-It-Forward)	\$ 11,910	\$ 57,600
Equipment Leases	\$ 146,911	\$ 146,911
TOTAL LOANS & LONG TERM LIABILITIES	\$ 414,948	\$ 502,774
TOTAL LIABILITIES	\$ 481,034	\$ 528,509
MEMBERS EQUITY:		
Member Equity and Paid In Capital	\$ 2,430,601	\$ 2,430,601
Retained Earnings:	\$ (1,820,235)	\$ (1,850,790)
Current Year Operating Income	\$ 86,963	\$ 30,555
Current Year Depreciation		
Total Retained Earnings	\$ (1,733,272)	\$ (1,820,235)
TOTAL MEMBERS EQUITY	\$ 697,329	\$ 610,366
TOTAL LIABILITIES and MEMBERS EQUITY	\$ 1,178,363	\$ 1,138,875

The Quarter In Review

THE GOOD

- Insurance claim for wind damage to the cart barn roof denied, but negotiated a settlement for \$12,000
- Woman's Southern Golf Tournament showcased LFCC
- Golf course conditions have improved dramatically, thanks to all the staffs hard work

THE BAD

- June outside revenue was \$16,929 below budget
- Replaced greens roller, the expenditure was unexpected
- Borrowed \$20,000 on credit line to pay for greens roller
- Accounts payable are very high
- Club House damage could impact July results

OUTLOOK

Opportunities:

- "Pay It Forward" will be paid back this year
- Golf course is improving through all the hard work
- Oak & Anchor dilemma may be solved
- Local play is up for the year, which indicates renewed interest to play LFCC

Risks:

- Golf course revenue needs to remain strong for the balance of the year
- Simplification of the membership packages may not work out as planned

QUESTIONS & COMMENTS