

QUARTERLY MEETING

Lockwood Folly Country Club

4 18, 2019

4 PM River Room

AGENDA

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

PRESIDENT

VICE PRESIDENT

GOLF

- Exceeded First Quarter expectations for Golf Revenue.
 - First time in over 5 years this has been achieved.
- Second Quarter forecast is positive as well.
 - Tournaments- Five major Tournaments on books for next Quarter:
 - Coastal Seniors- Monday May 13. 80-90 players.
 - Southport Invitational- Saturday May 18. 128 players.
 - Brunswick County Sherriff's Department- Friday May 31. 100+ players.
 - Southport Oak Island Kiwanis Tournament- Saturday June 30. 128 players.
 - Women's Southern- June 2-7. 96 players.
 - Thank You to Volunteers- Over 80.
 - Welcome to the Gallery, Spectators welcome.
 - Package Play:
 - **2018**- 853 total Package Play Rounds.
 - **2019**- 848 Package Play rounds booked to date. Fall bookings have not hit peak yet!
 - **1,100 rounds short of Package play and online bookings for all of 2018!!**
 - Becoming a "favorite" course of area locals.
 - Specials revenue is down from projections. Positive- Not having to run special deals...

- LFCC supporting Junior Golf:
 - Hosted First Tee Winter Series.
 - Home Course for Cedar Grove Elementary.
 - Home Course for West Brunswick High School.
 - West Brunswick HS just won Brunswick County Championship- Hosted By Lockwood Folly.

MARKETING

- Increased our Digital footprint with East Coast Golf Management.
- Yelp subscription will begin May 1, 2019
- New Tri fold brochures purchased and distributed to Chamber of Commerce and NC Welcome Center
- Contact initiated with Lamar Advertising for Billboard space on Rte. 17

HOUSE

- Work in progress on preparation for WSGA event in June
 - Buildings on course painted
 - Tee boxes cleaned and organized
 - Shrubs trimmed and manicured
- Had drains flushed out from restaurant to keep the flow of water from backing up.
- Cintas paper product purchases are finally corrected. A monthly savings of \$400.00, or \$4800.00 a year.



- Purchased and installed new 500 lb. Hoshizaki ice machine. This is a smaller unit than the 800 lb. one that we had. Less moving parts, quicker replenishment, and energy efficient. Have set up yearly maintenance schedule for it with Jimmy Gibson refrigeration. The unit is the same manufacturing unit that is in the restaurant and catering kitchen in the clubhouse.
- A special THANK YOU to Mr. Jim Bowers for helping to install electrical line for the new unit.

GROUNDS & GREENS

- **January**

- Fairways painted
- *New green covers utilized (1 time – Jan. 20)*
- Tree work in progress #1,2,3
- Low limb trimming/ pruning creating more sunlight on turf
- Tractor mounted gator pump utilized moving water out of #5 pond
- Central irrigation system computer crashed – laptop purchased

- **February**

- Edging bunkers and cart path work
- Tree pruning, removal work and stump grinding completed on holes
#1, 2, 3, 4, 7, 10, 12, 15, 17 & 18
- Landscape bed next to #15 fairway removed and plants relocated to #6 & #18 landscapes

- **March**

- Cold overnight temp's slow bermudagrass from breaking dormancy
- Health of greens - soil sample reports from NCSU and Clemson
- Drainage work completed on #12, 14, 15 & 18

- **Conclusion**

- Build a foundation for quality turfgrass at LFCC
- Aerate fairways (fall), tree removal & pruning, drainage (winter)
- Moving forward – 12 holes impacted by winter work, recent sod installations, mulch, pine straw, grooming and detail work
- Always remember S.N.O.W. For healthy turfgrass

MEMBERSHIP

- 8 New members joined in 2018
- 6 New members joined in first quarter of 2019
- 140 Current Membership
 - I think this is due to the continued efforts to improve the golf course and the improvement to the facilities at Lockwood Folly
- Currently working with Eric to strengthen the RHO(renters home owners package) to get more people to experience what Lockwood Folly has to offer and hopefully make golf part of their vacation plans.
- We are also working on other ways our community businesses can offer their customers a loyalty reward by giving them a round of golf at Lockwood
- We are trying to update our membership contract so it is more user friendly

TREASURER

First Quarter 2019 FINANCIAL RESULTS

	Jan - Mar 2019 Actual	Jan - Mar 2019 Budget	B / (W) Budget	Jan - Mar 2018 Actual	B / (W) 2018
OPERATIONS:					
REVENUE	\$ 312,681	\$ 226,537	\$ 86,144	\$ 331,558	\$ (18,877)
EXPENSE	\$ 242,851	\$ 261,404	\$ 18,553	\$ 281,895	\$ 39,044
OPERATING INCOME	\$ 69,830	\$ (34,867)	\$ 104,697	\$ 49,663	\$ 20,167
OAK & ANCHOR	\$ (5,188)	\$ 150	\$ (5,338)	\$ (12,473)	\$ 7,285
PROJECT SPENDING	\$ -	\$ -	\$ -	\$ -	\$ -
STORM CLEANUP	\$ (3,844)	\$ -	\$ 3,844	\$ -	\$ 3,844
NET INCOME	\$ 68,486	\$ (34,717)	\$ 103,203	\$ 37,190	\$ 31,296

**First Quarter 2019
FINANCIAL RESULTS
REVENUE**

	Jan - Mar 2019 Actual	Jan - Mar 2019 Budget	B / (W) Budget	Jan - Mar 2018 Actual	B / (W) 2017
Outside & Community Play	\$ 106,565	\$ 96,990	\$ 9,575	\$ 92,781	\$ 13,784
Member Income	\$ 200,353	\$ 123,607	\$ 76,746	\$ 222,659	\$ (22,306)
Other Revenue	\$ 5,763	\$ 5,940	\$ (177)	\$ 16,118	\$ (10,355)
Total Revenue	\$ 312,681	\$ 226,537	\$ 86,144	\$ 331,558	\$ (18,877)

**First Quarter 2019
FINANCIAL RESULTS
EXPENSES**

	Jan - Mar 2019 Actual	Jan - Mar 2019 Budget	B / (W) Budget	Jan - Mar 2018 Actual	B / (W) 2018
Administration	\$ 24,619	\$ 23,027	\$ (1,592)	\$ 34,145	\$ 9,526
Grounds	\$ 144,955	\$ 161,983	\$ 17,028	\$ 170,805	\$ 25,850
Pro Shop	\$ 50,491	\$ 58,757	\$ 8,266	\$ 56,798	\$ 6,307
Marketing	\$ 13,377	\$ 11,490	\$ (1,887)	\$ 15,189	\$ 1,812
House	\$ 5,774	\$ 3,323	\$ (2,451)	\$ 2,125	\$ (3,649)
Membership	\$ -	\$ 475	\$ 475	\$ 40	\$ 40
Interest	\$ 3,635	\$ 2,349	\$ (1,286)	\$ 2,793	\$ (842)
Total Operating Expenses	\$ 242,851	\$ 261,404	\$ 18,553	\$ 281,895	\$ 39,044

First 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	Forecast	Forecast	Forecast	Forecast	Budget	Actual
OPERATIONS:							
REVENUE	\$ 312,681	\$ 344,854	\$ 327,339	\$ 222,925	\$1,207,799	\$1,218,354	\$ 1,128,550
EXPENSE	\$ 242,851	\$ 298,723	\$ 272,759	\$ 263,655	\$1,077,988	\$1,077,240	\$ 1,065,191
OPERATING INCOME	\$ 69,830	\$ 46,131	\$ 54,580	\$ (40,730)	\$ 129,811	\$ 141,114	\$ 63,359
OAK & ANCHOR	\$ (5,188)	\$ 7,200	\$ 7,200	\$ 5,500	\$ 14,712	\$ 20,100	\$ (48,061)
HURRICANE Storm Cleanup:	\$ (3,844)			\$ 10,000	\$ 6,156	\$ 10,000	\$ (20,734)
NET INCOME	\$ 68,486	\$ 53,331	\$ 61,780	\$ (45,230)	\$ 138,367	\$ 151,214	\$ 36,032

First Quarter 2019	
FINANCIAL RESULTS	
CASH FLOW	
	Q1
	2019
	Actual
Beginning Cash	\$ 64,754
Cash Provided From Q1 2019 Operations	\$ 68,486
Change In Working Capital:	
Increase In Accounts Receivable	\$ (4,879)
Decrease In Inventory	\$ 434
Increase In Other Assets	\$ (88)
Increase In Accounts Payable	\$ 21,182
Decrease In other Liabilities	\$ (8,854)
Total Change In Working Capital	\$ 7,795
Loan Payments (Mortgage Principal)	\$ (11,272)
Loan Payments (Credit Line)	\$ (39,138)
Decrease In PAY IT FORWARD	\$ (35,420)
Ending Cash	<u>\$ 55,205</u>

First Quarter 2019		
FINANCIAL RESULTS		
BALANCE SHEET		
	March 31, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash	\$ 55,205	\$ 64,754
Accounts Receivable	\$ 735	\$ (4,144)
Inventory	\$ 24,502	\$ 24,936
Prepaid Expenses	\$ 6,886	\$ 6,798
TOTAL CURRENT ASSETS	\$ 87,328	\$ 92,344
NET FIXED ASSETS	\$ 1,046,406	\$ 1,046,406
OTHER ASSETS (Water Meter Deposit)	\$ 125	\$ 125
TOTAL ASSETS	\$ 1,133,859	\$ 1,138,875

First Quarter 2019		
FINANCIAL RESULTS		
BALANCE SHEET		
	March 31, 2019	December 31, 2018
ASSETS		
LIABILITIES and MEMBERS EQUITY		
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable	\$ 43,980	\$ 22,798
Other Current Liabilities	\$ (5,917)	\$ 2,937
TOTAL CURRENT LIABILITIES	\$ 38,063	\$ 25,735
LOANS & LONG TERM LIABILITIES:		
BB&T Mortgage	\$ 206,991	\$ 218,263
BB&T Credit Line	\$ 40,862	\$ 80,000
Prepaid Member Dues (Pay-It-Forward)	\$ 22,180	\$ 57,600
Equipment Leases	\$ 146,911	\$ 146,911
TOTAL LOANS & LONG TERM LIABILITIES	\$ 416,944	\$ 502,774
TOTAL LIABILITIES	\$ 455,007	\$ 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	\$ 68,486	\$ 30,555
Current Year Depreciation		
Total Retained Earnings	\$ (1,751,749)	\$ (1,820,235)
TOTAL MEMBERS EQUITY	\$ 678,852	\$ 610,366
TOTAL LIABILITIES and MEMBERS EQUITY	\$ 1,133,859	\$ 1,138,875

The Quarter In Review

THE GOOD

- New food service provider working out
- Repaid \$40,000 of the credit line
- March was a good month for golf operation
- Completed settlement of the hurricane insurance claim
- Greens covers used to prevent winter kill
- Added 2 new members

THE BAD

- Unsuccessful with insurance claim for hurricane damage on the cart barn roof
- Unusually colder spring has delayed growing
- Reduction in full membership for 2019

Calendar Year 2019

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
- Woman's Southern Golf Tournament will showcase LFCC
- Financial condition is improving

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