

QUARTERLY MEETING

Lockwood Folly Country Club

April 19, 2018

4 PM River Room

AGENDA

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

PRESIDENT



1st quarter bad weather has challenged our revenue generation efforts.

VICE PRESIDENT

- Wing night continues to do well.
- Staff food safety training is scheduled for 5/21 – NC and Brunswick county requirement
- The restaurant committee has added Mike Newland and Rod Roelants
- O&A received 2017 Golden A Award for 95 or better grade health inspection

GOLF

- **First Quarter:**
 - Weather has severely impacted golf operations negatively.
- **Bright Spots:**
 - On days with good weather, golf course is booming with consistent 130+ player days.
 - February was a good month in relation to budget targets.
 - Package rounds forecasting is very good.
 - Package Rounds up 91% from 2017.
 - Package Rounds Revenues up 82% from 2017.
 - Online Booking up 137% from 2017.

Upcoming Tournaments:

- Men's Interclub- Home vs. Carolina National- 4/24 (Tuesday)
- Cobra Demo Day #1- 4/25 (Wednesday)
- CSGA Tournament- 5/7 (Monday)
- MGA 2 Man Tournament- 5/11, 12 (Friday, Saturday)
- LGA Championship- 5/15, 17 (Tuesday, Thursday)
- GREENS AERIFICATION- 5/20-22 (Sunday- Tuesday)
- Memorial Day Mixer- 5/29 (Tuesday)
- LGA Member Guest- 6/2 (Saturday)
- Golden Boys Annual Tournament- 6/4, 6, 8 (Monday, Wednesday, Friday)
- MGA Net Tournament- 6/12 (Tuesday)
- Cobra Demo Day #2- 6/13 (Wednesday)
- LGA Scramble- 6/14 (Thursday)
- Men's Interclub- Home vs The Lakes- 6/18 (Monday)
- Men's Interclub- Home vs Farmstead- 6-27 (Wednesday)
- Southport/Oak Island Kiwanis Tournament- 6/30 (Saturday)
- World Am- 8/27,28 (Monday, Tuesday)

Junior Golf Initiatives:

- Became Home course for West Brunswick High School.
- Continue as Home course for Cedar Grove Middle School.
- Announcing 3 NEW Junior Camps this Summer. **DETAILS AND REGISTRATION TO BE POSTED SOON!!**
 - Session 1: June 18-23.
 - Session 2: July 16-20.
 - Session 3: August 20-24.
- Junior Golf Clinics- Late Spring through Summer. **DETAILS AND REGISTRATION TO BE POSTED SOON!!**
 - Session 1: June 18-23.

Quick Reminders:

- Just a subtle reminder to cancel unused, booked tee times- **at least 48 hours in advance.**
 - With our facility becoming more “IN DEMAND” unused or late cancelled tee times cuts our potential revenues. **WE CAN SELL THESE TEE TIMES, GIVEN ENOUGH NOTICE...**
- Also, please add tee times if you need more.
 - With our facility becoming more “IN DEMAND” it is becoming more difficult to “squeeze” an extra group in on the course.
- Please check in the pro shop before your round.

MARKETING

New Marketing Director

- Thank you, Theresa Bryant. Your amazing energy and organizational skills have made it easier for me to assume this responsibility.

Marketing Committee

- Cindy Koon
- Karen Manor
- Mike Newland
- Terry Puckett
- Theresa Bryant, Previous Chair
- Dan McGougan, Golf Committee Representative

Holden Beach Days of the Docks Festival April 28 and 29, 2018

- LFCCI is a member of the Holden Beach Chamber of Commerce. We will have a booth at the festival this year
- Information about our course, club membership, restaurant will be provided
- Members have volunteered to help man the booth during the 2-day event
- Putting game for adults and children will be held – adults participating are entered in a raffle for one of four rounds of golf for 2 or a half-hour lesson from Eric or Holden

BEST OF BRUNSWICK

Golf Course Rated #1



CURRENT

- Facebook
 - 30 and 90 second videos to be filmed in late spring
 - Oak and Anchor menus and events
- Web Site
- Billboards and Direction Signs
- Groupon
- Brunswick Chamber of Commerce

HOUSE

- Snack Shack
- Beverage Cart

GROUNDS & GREENS

Golf Course Improvements 2018

- Tree removal on 2, 4, 7, 9, 10, 14, and 18. This work was all done per the Stephen Kay master plan. The areas on 4, 7 and some of 9 have had roots removed and sod installed.
- The very cold winter along with snow and ice the first week of 2018 has really slowed the recovery from dormancy. Greens that were are in full sun most of the day are doing well. 1 and 11 still are slow to come out of dormancy. The greens started to green up in February but the cold weather came again and lasted even into April. The greens need sustained combined day and night temperature of 140 degrees. That weather has still not happened. We will see the greens start to grow soon. We just have to be patient and wait on the weather. JD has spiked, top dressed and fertilized to stimulate growth.
- The fairways are just starting to green up a little. A fairway aerifier has been purchased this year and fairways will soon be aerified.
- We still want to do improvements to the course but the cold winter has had an affect on income. Hopefully things will improve with warmer temperatures coming.
- The master plan is hanging in the hallway near the bathrooms and also is on the Lockwood Folly Country Club website for you to review.

MEMBERSHIP

- We welcomed six new members during the first quarter and accepted two resignations, for a net gain of 4 for the time period January - March.

New Members:

- 01-03. Richard Allman
- 01-10. Phil and Brenda Julian
- 02-10. Mark and Kim Murphy
- 02-12. Steve Grochowski
- 02-12. Mike Grochowski
- 03-19. Randy and Darlene Love

Resignations:

- 01-15. Charles McIntosh
- 02-19. Lois Elbert

- **Save the date:** A dinner dance is planned for October 6 for members of LFCCI. Mike Monetti will provide the music.
- A new Membership Information Packet has been designed and will be ready for distribution at the Days at the Dock event. The new format is easy to read and very professionally done.
- **Membership Committee:** Joy Buchholz, Jean D'Addario, Barbara Horensky, Peggy Salayi, Eric Morgan, and Renee Edwards, Chairman

TREASURER

LFCCI Members Quarterly Meeting						
First Quarter 2018						
FINANCIAL RESULTS						
	Jan - Mar		Jan - Mar		Jan - Mar	
	2018		2018	B / (W)	2017	B / (W)
	Actual		Budget	Budget	Actual	2017
OPERATIONS:						
REVENUE	\$ 332,374		\$ 353,378	\$ (21,004)	\$ 315,884	\$ 16,490
EXPENSE	\$ 282,077		\$ 286,349	\$ 4,272	\$ 202,365	\$ (79,712)
OPERATING INCOME	\$ 50,297		\$ 67,029	\$ (16,732)	\$ 113,519	\$ (63,222)
OAK & ANCHOR	\$ (13,055)		\$ 1,615	\$ (14,670)	\$ -	\$ (13,055)
PROJECT SPENDING	\$ -		\$ -	\$ -	\$ -	\$ -
STORM CLEANUP	\$ -		\$ -	\$ -	\$ -	\$ -
NET INCOME	\$ 37,242		\$ 68,644	\$ (31,402)	\$ 113,519	\$ (63,222)

LFCCI Members Quarterly Meeting

First Quarter 2018

FINANCIAL RESULTS

REVENUE

	Jan - Mar	Jan - Mar		Jan - Mar	
	2018	2018	B / (W)	2017	B / (W)
	Actual	Budget	Budget	Actual	2017
Outside & Community Play	\$ 92,795	\$ 120,651	\$ (27,856)	\$ 92,697	\$ 98
Member Income	\$ 222,859	\$ 220,373	\$ 2,486	\$ 204,512	\$ 18,347
Other Revenue	\$ 16,720	\$ 12,354	\$ 4,366	\$ 18,676	\$ (1,956)
Total Revenue	\$ 332,374	\$ 353,378	\$ (21,004)	\$ 315,885	\$ 16,489

LFCCI Members Quarterly Meeting

First Quarter 2018

FINANCIAL RESULTS

EXPENSES

	Jan - Mar 2018 Actual	Jan - Mar 2018 Budget	B / (W) Budget	Jan - Mar 2017 Actual	B / (W) 2017
Administration	\$ 34,293	\$ 29,323	\$ (4,970)	\$ 32,235	\$ (2,058)
Grounds	\$ 170,805	\$ 175,621	\$ 4,816	\$ 98,242	\$ (72,563)
Pro Shop	\$ 56,850	\$ 60,681	\$ 3,831	\$ 54,530	\$ (2,320)
Marketing	\$ 15,189	\$ 15,280	\$ 91	\$ 7,842	\$ (7,347)
House	\$ 2,109	\$ 3,173	\$ 1,064	\$ 3,588	\$ 1,479
Membership	\$ 39	\$ -	\$ (39)	\$ -	\$ (39)
Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Hurricane- Storm Cleanup	\$ -	\$ -	\$ -	\$ 2,446	\$ 2,446
Interest	\$ 2,793	\$ 2,271	\$ (522)	\$ 3,483	\$ 690
Total Operating Expenses	\$ 282,078	\$ 286,349	\$ 4,271	\$ 202,366	\$ (79,712)

LFCCI Members Quarterly Meeting

First Quarter 2017

2018 Forecast

NET INCOME

	1st Quarter 2018 Actual	2nd Quarter 2018 Forecast	3rd Quarter 2018 Forecast	4th Quarter 2018 Forecast	Year 2018 Forecast	Year 2018 Budget	Year 2017 Actual
OPERATIONS:							
REVENUE	\$ 332,374	\$ 351,736	\$ 346,420	\$ 226,865	\$ 1,257,395	\$ 1,280,325	\$ 1,192,147
EXPENSE	\$ 282,077	\$ 302,680	\$ 257,905	\$ 274,142	\$ 1,116,804	\$ 1,119,848	\$ 1,008,765
OPERATING INCOME	\$ 50,297	\$ 49,056	\$ 88,515	\$ (47,277)	\$ 140,591	\$ 160,477	\$ 183,382
OAK & ANCHOR	\$ (13,055)	\$ 7,551	\$ 10,650	\$ 3,942	\$ 9,088	\$ 25,608	\$ (26,386)
HURRICANE Storm Cleanup:				\$ 10,000	\$ 10,000	\$ 10,000	\$ 2,446
NET INCOME	\$ 37,242	\$ 56,607	\$ 99,165	\$ (53,335)	\$ 139,679	\$ 176,085	\$ 154,550

2018 Forecast
OAK & ANCHOR
NET INCOME

	1st Quarter 2018	2nd Quarter 2018	3rd Quarter 2018	4th Quarter 2018	Year 2018	Year 2018
	Actual	Forecast	Forecast	Forecast	Forecast	Budget
OPERATIONS:						
REVENUE						
Restaurant Sales	\$ 48,560	\$ 84,165	\$ 92,310	\$ 47,490	\$ 272,525	\$ 267,360
Catering	\$ 4,787	\$ 16,833	\$ 18,462	\$ 9,498	\$ 49,580	\$ 53,472
Other	\$ 924				\$ 924	
TOTAL REVENUE	\$ 54,271	\$ 100,998	\$ 110,772	\$ 56,988	\$ 323,029	\$ 320,832
PRIME EXPENSE						
Food Cost	\$ 25,262	\$ 40,399	\$ 44,309	\$ 22,795	\$ 132,765	\$ 128,332
Labor	\$ 30,002	\$ 37,875	\$ 41,540	\$ 21,371	\$ 130,788	\$ 120,314
TOTAL PRIME EXPENSE	\$ 55,264	\$ 78,274	\$ 85,849	\$ 44,166	\$ 263,553	\$ 248,646
GROSS PROFIT	\$ (993)	\$ 22,724	\$ 24,923	\$ 12,822	\$ 59,476	\$ 72,186
OVERHEAD EXPENSES	\$ 12,062	\$ 15,173	\$ 14,273	\$ 8,880	\$ 50,388	\$ 46,578
OAK & ANCHOR NET INCOME (LOSS)	\$ (13,055)	\$ 7,551	\$ 10,650	\$ 3,942	\$ 9,088	\$ 25,608

LFCCI Members Quarterly Meeting		
First Quarter 2018		
FINANCIAL RESULTS		
CASH FLOW		
		Q1
		2018
		Actual
Beginning Cash		\$ 101,565
Cash Provided From Q1 2018 Operations		\$ 37,242
Change In Working Capital:		
Increase In Accounts Receivable		\$ (40,983)
Increase In Inventory		\$ (8,328)
Increase In Other Assets		\$ (301)
Increase In Accounts Payable		\$ 49,678
Decrease In PAY IT FORWARD		\$ (51,300)
Increase in F&B Accounts		\$ 11,396
Decrease In other Liabilities		\$ (2,693)
Total Change In Working Capital		<u>\$ (42,531)</u>
Loan Payments (Principal)		\$ (7,482)
Purchase Fixed Asset		<u>\$ (1,554)</u>
Ending Cash		<u>\$ 87,240</u>

LFCCI Members Quarterly Meeting

First Quarter 2018

FINANCIAL RESULTS

BALANCE SHEET

	March 31, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash	\$ 87,240	\$ 101,565
Accounts Receivable	\$ 20,534	\$ (20,450)
Inventory	\$ 52,070	\$ 43,742
Prepaid Expenses	\$ 506	\$ 206
TOTAL CURRENT ASSETS	\$ 160,350	\$ 125,063
NET FIXED ASSETS	\$ 1,021,059	\$ 1,019,505
OTHER ASSETS (Water Meter Deposit)	\$ 125	\$ 125
TOTAL ASSETS	\$ 1,181,534	\$ 1,144,693

LIABILITIES and MEMBERS EQUITY

LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable	\$ 59,405	\$ 9,727
Other Current Liabilities	\$ 9,588	\$ 885
TOTAL CURRENT LIABILITIES	\$ 68,993	\$ 10,612
LOANS & LONG TERM LIABILITIES:		
BB&T Loan	\$ 251,303	\$ 258,785
Prepaid Member Dues (Pay-It-Forward)	\$ 97,500	\$ 148,800
Equipment Leases	\$ 146,912	\$ 146,912
TOTAL LOANS & LONG TERM LIABILITIES	\$ 495,715	\$ 554,497
TOTAL LIABILITIES	\$ 564,708	\$ 565,109
MEMBERS EQUITY:		
Member Equity and Paid In Capital	\$ 2,430,601	\$ 2,430,601
Retained Earnings:	\$ (1,851,017)	\$ (1,846,613)
Current Year Operating Income	\$ 37,242	\$ 154,550
Current Year Depreciation		\$ (158,954)
Total Retained Earnings	\$ (1,813,775)	\$ (1,851,017)
TOTAL MEMBERS EQUITY	\$ 616,826	\$ 579,584
TOTAL LIABILITIES and MEMBERS EQUITY	\$ 1,181,534	\$ 1,144,693

LFCCI Members Quarterly Meeting

The Quarter In Review

THE GOOD

- Completed Mortgage Refinance and Obtained a \$250,000 Line For Capital Improvements
- Appraisal Done for Refinance- LFCCI valued at \$2,100,000
- Improved the Golf Course:
 - Cleared Trees & Brush at Hole 2
 - Cleared Trees Inside Cart Path on Hole 4 and sodded
 - Cleared Trees Inside Cart Path on Hole 7 near green and sodded
 - Sodded Area Near Hole 9 Green

THE BAD

- First Quarter Weather Did Not Cooperate.
- First Quarter Revenue \$21,000 Below Budget.
- Oak & Anchor Continues to Loose Money.
- Cash Position Has Decreased \$14,325
- Accounts Payable Is Very High at \$59,405, \$45,357 Higher Than Last Year
- Pro Shop Inventory Is High at \$41,302, \$12,071 Higher Than Last Year

LFCCI Members Quarterly Meeting

Calendar Year 2018

OUTLOOK

— The Golf Market Remains Extremely Competitive

— LFCC's Membership Is Aging

— Lockwood Real Estate Market Improving

Opportunities:

— Mortgage Was Renewed and Will be Paid Off In Five Years

— Capital Improvement Financing was Obtain in the Amount of \$250,000

— Membership Committee's "Snowbird Membership" May Encourage New Members

— Encourage New Residents to Join LFCC

— Brunswick County Continues to be a High Population Growth Area

— Two Golf Courses Sold In Brunswick County

— Brunswick Plantation's New Owner May Help Promote Package Play at LFCC

Risks:

— If Package and Local Play Revenue Do Not Materialize We Will Have To Cut Expenses

— Restaurant and Bar Continues to be a Drain on LFCC

QUESTIONS & COMMENTS