

**Lake Geneva Yacht Club**

**June 30, 2011 - Summary**

(\$000's)

|                      |  | Month                |                     |                      | Year to Date    |                 |                 |
|----------------------|--|----------------------|---------------------|----------------------|-----------------|-----------------|-----------------|
|                      |  | Actual               | Budget              | Prior Year           | Actual          | Budget          | Prior Year      |
| <b>Income</b>        |  |                      |                     |                      |                 |                 |                 |
| Dues & Init          |  | \$ 39.7              | \$ 41.8             | \$ 44.2              | \$ 262.4        | \$ 256.1        | \$ 264.0        |
| Boat Storage         |  | 9.1                  | 17.0                | 18.3                 | 78.3            | 75.6            | 76.3            |
| Other Inc            |  | 1.9                  | (0.2)               | 0.1                  | 2.4             | 1.8             | 2.4             |
| Regatta              |  | -                    | -                   | -                    | 8.0             | 13.5            | 17.5            |
| Resale               |  | 0.7                  | 1.5                 | 0.1                  | 1.6             | 2.5             | 0.4             |
| Lease                |  | 3.8                  | 3.8                 | 3.8                  | 22.7            | 22.7            | 22.7            |
| F&B                  |  | 52.2                 | 59.5                | 39.0                 | 64.1            | 71.0            | 52.8            |
| Total                |  | <u>\$ 107.4</u>      | <u>\$ 123.4</u>     | <u>\$ 105.5</u>      | <u>\$ 439.5</u> | <u>\$ 443.2</u> | <u>\$ 436.1</u> |
| <b>Expense</b>       |  |                      |                     |                      |                 |                 |                 |
| F&B                  |  | \$ 35.5              | \$ 48.6             | \$ 37.6              | \$ 58.8         | \$ 77.1         | \$ 74.7         |
| Regatta              |  | -                    | -                   | -                    | 5.5             | 10.5            | 12.1            |
| Resale               |  | 0.4                  | 1.1                 | -                    | 0.9             | 1.9             | -               |
| Lease                |  | 3.6                  | 3.6                 | 3.7                  | 21.9            | 21.9            | 22.1            |
| General              |  | 5.9                  | 6.0                 | 4.6                  | 24.5            | 30.0            | 25.6            |
| Race Ops             |  | 3.7                  | 5.7                 | 3.5                  | 10.2            | 24.4            | 18.7            |
| Prof Fees            |  | 1.6                  | 2.4                 | 1.9                  | 2.5             | 10.3            | 2.8             |
| Maintenance          |  | 4.4                  | 5.8                 | 9.0                  | 40.4            | 52.7            | 57.2            |
| Occupancy            |  | 8.0                  | 9.0                 | 8.7                  | 42.1            | 45.0            | 39.9            |
| Sal & Wages          |  | 6.1                  | 4.6                 | 5.3                  | 21.5            | 36.5            | 36.4            |
| Interest             |  | 2.9                  | 2.9                 | 3.0                  | 17.1            | 17.7            | 17.9            |
| Tax                  |  | -                    | -                   | -                    | -               | -               | 0.4             |
|                      |  | <u>72.1</u>          | <u>89.7</u>         | <u>77.3</u>          | <u>245.4</u>    | <u>328.0</u>    | <u>307.8</u>    |
| Net Income           |  | <u>\$ 35.3</u>       | <u>\$ 33.7</u>      | <u>\$ 28.2</u>       | <u>\$ 194.1</u> | <u>\$ 115.2</u> | <u>\$ 128.3</u> |
|                      |  |                      |                     |                      |                 |                 |                 |
| <b>Balance Sheet</b> |  |                      |                     |                      |                 |                 |                 |
|                      |  | <b>June 30, 2011</b> | <b>Dec 31, 2010</b> | <b>June 30, 2010</b> |                 |                 |                 |
| Cash                 |  | \$ 298.4             | \$ 131.0            | \$ 168.0             |                 |                 |                 |
| Accounts Rec, net    |  | 77.6                 | 20.6                | 83.0                 |                 |                 |                 |
| Inventory            |  | 22.1                 | 16.1                | 27.7                 |                 |                 |                 |
| Other Current Assets |  | 6.9                  | 4.2                 | 9.9                  |                 |                 |                 |
| PP&E                 |  | 1,189.3              | 1,205.2             | 1,267.4              |                 |                 |                 |
| Total                |  | <u>\$ 1,594.3</u>    | <u>\$ 1,377.1</u>   | <u>\$ 1,556.0</u>    |                 |                 |                 |
| Current Liab         |  | \$ 66.2              | \$ 28.5             | \$ 59.1              |                 |                 |                 |
| Mortgage             |  | 587.0                | 601.0               | 614.5                |                 |                 |                 |
| Lease                |  | 728.2                | 729.0               | 730.8                |                 |                 |                 |
| Equity               |  | 212.9                | 18.6                | 151.6                |                 |                 |                 |
| Total                |  | <u>\$ 1,594.3</u>    | <u>\$ 1,377.1</u>   | <u>\$ 1,556.0</u>    |                 |                 |                 |

## **Overview**

For the month ended June 30, 2011, revenues were \$107.4 vs. budget of \$123.4 and prior year of \$105.5. Net income was \$35.3 compared to budget of \$33.7, and income of \$28.2 in 2010. For the year-to-date, revenues were \$439.5 vs. budget of \$443.2, and \$436.1 last year. Year-to-date net income was \$194.1 compared to budget of \$115.2 and \$128.3 last year. For the month, revenues were unfavorable to budget, but consistent with the prior year. June expenses were favorable to budget and last year. For the year-to-date, expenses were \$82.6 favorable to the budget due to lower expenses in the F&B operation, unbilled maintenance expenses for the Flagship, and lower expenses related to pier repairs and compensation expense.

Our cash position was \$298.4, up \$167.4 compared to December 31, 2010. The increase is partially due to the lower expense levels to date.

There were three new members and two resignations in June. In addition, we have two new trial members in June, under the trial membership program initiated during the month. It should be noted that we have added four additional trial members so far in July. Conversion of the trial members to regular or associate members in 2012 will determine the real success of the program, but so far, so good. We have 244 members at June 30th, down three members since the first of the year. As compared to budget we are up four members.

## **Revenue**

### *Dues and Initiation Fees*

For the month, dues revenue was \$39.7, which was \$2.2 unfavorable to budget. For the year-to-date, dues were \$261.4 compared to budget of \$251.1. Initiation fees were \$1.0 compared to budget of \$5.0 due to the lower than planned new regular members.

### *Boat Storage*

Storage revenue for the month was \$9.1 as compared to budget of \$17.0. As noted last month, the variance to budget is mostly timing as the May billing was more complete than in the prior years. For the year-to-date, storage revenue was \$78.3, which is approximately \$2.0 favorable to budget.

### *Regatta*

Year-to-date Regatta revenue was \$8.0 as compared to budget of \$13.5. The variance to budget was due to the cancellation of the M17 regatta as a result of the low number of entries (\$3.5) and poor weather conditions for the E Spring regatta.

### *Food & Beverage*

F&B revenue was \$52.2 for the month as compared to budget of \$59.5. Weather conditions in June were not favorable to the club, which is believed to have negatively impacted club usage. In addition, the budget included a wedding in June with F&B revenue of \$13,500. The event was changed to include only bar, with the food catered by a third party, hence there was only bar revenue charged and a facility fee charged for the event.

### **Expenses**

#### *Food & Beverage*

F&B expense for the month was \$35.4 as compared to budget of \$48.6 and \$58.8 in the prior year. As a result of the lower expenses, F&B net results were favorable to budget and prior year by \$13.1 and \$18.3, respectively. For the year to date, expenses were \$58.8 as compared to budget of \$77.0. The lower expenses reflect the improved control over expenses as well as the elimination of food expenses for the planned wedding. Gross profit for the month was \$21.1 as compared to budget of \$12.9. For the year-to-date, gross profit was \$10.6 as compared to a budgeted loss of \$3.7.

#### *Regatta*

Regatta expenses for the year to date were \$5.5 as compared to the budget of \$10.5 as a result of the smaller than expected E Spring regatta and the cancellation of the M17 regatta. Regatta gross profit was \$2.6 as compared to budget of \$3.0.

#### *General Expenses*

General expenses were \$5.9 for the month as compared to budget of \$6.0. For the year-to-date, general expenses were \$24.5 as compared to budget of \$29.8 and \$20.7 last year. The largest variance relates to lower expenses related to membership development and entertainment expenses.

#### *Race Operations*

Race operations expense was \$3.7 compared to budget of \$5.7 for the month. The variance is timing of actual expenses vs. budget for both flagship and boat two expenses. For the year-to-date, race operations were \$10.3 as compared to budget of \$24.4. Final billings for Flagship and Boat two repairs and launch have yet to be received. We have contacted Gage Marine regarding the billing and expect the charges will be billed in July.

### *Professional Fees*

Professional fees were \$1.6 for the month and \$2.5 for the year-to-date, compared to budget of \$2.4 and \$10.3 for the month and year-to-date budgets. We have incurred only website fees and tax return preparation fees to date. We have not incurred any expenses for legal services for the year.

### *Maintenance*

Maintenance expense was \$4.4 for the month, as compared to budget of \$5.8. For the year-to date, expenses were \$40.4 as compared to budget of \$52.7. For the year-to-date, clubhouse repairs \$4.8 favorable to budget, pier expenses \$5.3 favorable and contract cleaning \$4.1 favorable.

### *Salary & Wages*

Salary and wage expense for the month was \$6.1, as compared to budget of \$4.6. Unfavorable variances were related to a catch-up adjustment for storage labor and a missed allocation on payroll taxes. For the year-to-date, actual was \$21.6 vs. budget of \$36.5. Approximately \$13.0 of the year-to-date variance was due to savings from not having a club manager rehired until March 15, 2010.

### **Balance Sheet**

Our cash position was \$298.4, an increase of \$167.4 as compared to December 31, 2010. Accounts receivable were \$77.6, up \$57.0 from December 31, but \$5.4 lower as compared to June 2010. Net inventories were \$22.1 as compared to \$16.1 at December 31, 2010, but \$5.6 favorable to June 2010.

Current liabilities were \$66.2 at June 30, 2011, compared to \$28.5 at December 31, 2010 and \$59.1 at June 2010.