

Lake Geneva Yacht Club

July 31, 2012 - Summary

(\$000's)

		Month			Year to Date		
		Actual	Budget	Prior Year	Actual	Budget	Prior Year
Income							
Dues & Initiation Fees		\$ 34.6	\$ 40.6	\$ 38.0	\$ 277.2	\$ 293.4	\$ 300.4
Boat Storage		(1.9)	3.0	0.6	79.5	81.9	78.9
Other Income		-	(0.2)	(0.5)	16.0	1.5	1.9
Regatta		9.4	16.2	4.2	19.1	26.2	12.2
Resale		0.6	1.5	1.6	1.9	4.0	3.3
GLSS Lease Income		3.8	3.8	3.8	26.4	26.4	26.4
Food & Beverage		46.6	62.0	62.2	103.0	111.3	126.3
Total		<u>\$ 93.1</u>	<u>\$ 126.9</u>	<u>\$ 109.9</u>	<u>\$ 523.1</u>	<u>\$ 544.7</u>	<u>\$ 549.4</u>
Expense							
F&B		\$ 36.2	\$ 45.7	\$ 47.8	\$ 96.5	\$ 111.5	\$ 106.6
Regatta		5.6	11.7	1.9	10.9	19.2	7.3
Resale		0.3	1.0	1.0	1.1	2.6	1.9
GLAA Lease Expense		3.6	3.6	3.6	25.5	25.4	25.5
General		4.6	5.0	4.2	30.3	34.6	28.7
Race Operations		2.7	6.1	19.7	25.6	29.7	30.0
Professional Fees		3.9	0.8	0.3	18.9	8.8	2.7
Maintenance		1.0	5.2	4.3	32.7	50.2	44.7
Occupancy		9.2	8.7	8.9	50.2	51.9	51.0
Salaries & Wages		4.7	5.1	2.9	39.1	46.5	24.4
Interest		-	2.6	2.8	15.5	18.8	20.0
Other Expense		(0.1)	-	-	0.1	0.2	-
		<u>71.7</u>	<u>95.5</u>	<u>97.4</u>	<u>346.4</u>	<u>399.4</u>	<u>342.8</u>
Net Income		<u>\$ 21.4</u>	<u>\$ 31.4</u>	<u>\$ 12.5</u>	<u>\$ 176.7</u>	<u>\$ 145.3</u>	<u>\$ 206.6</u>
Balance Sheet							
		July 31, 2012	December 31, 2011	July 31, 2011			
Cash		\$ 341.2	\$ 279.0	\$ 302.7			
Accounts Rec, net		81.4	11.5	107.0			
Inventory		19.4	14.7	20.4			
Other Current Assets		5.1	8.7	5.0			
PP&E		1,212.3	1,185.3	1,186.0			
Total		<u>\$ 1,659.4</u>	<u>\$ 1,499.2</u>	<u>\$ 1,621.1</u>			
Current Liab		\$ 45.5	\$ 42.6	\$ 83.0			
Mortgage		554.3	572.8	584.6			
Lease		726.4	727.4	728.1			
Equity		333.2	156.4	225.4			
Total		<u>\$ 1,659.4</u>	<u>\$ 1,499.2</u>	<u>\$ 1,621.1</u>			

Overview

For the month ended July 31, 2012, revenues were \$93.1 compared to budget of \$126.9 and prior year of \$109.9. Total expenses were \$71.7 vs. budget of \$95.5 and \$97.4 in the prior year. Net income was \$21.4 compared to budget of \$31.4 and \$12.5 in 2011. The variance to budget and last year relate to the lower number of members, regatta revenue and revenue from the food and beverage operations, partially offset by lower expenses.

Year-to-date revenues were \$523.1 compared to budget of \$544.7 and \$549.4 in the prior year. Expenses were \$346.4 compared to budget of \$399.4 and \$342.8 last year. Net income was \$176.7 compared to budget of \$145.3 and \$206.6 last year for the above noted reasons. As compared to budget, lower expenses were greater than the revenue shortfall. Expenses were comparable to last year despite the lower revenue levels compared to the 2011 period.

We have 239 members at July 31, 2012, including five temporary members. We had a decrease of two associate members in July. Excluding temporary members, we are down four members as compared to December 31, 2011 and down 16 as compared to budget.

Revenue

Dues and Initiation Fees

Dues for the month of June were \$34.6, compared to budget of \$40.6 and \$38.0 last year. The decrease compared to budget reflects the lower number of members. The variance to 2011 reflects the billing of dues over eight months in 2012, as compared to seven months in 2011 and the lower number of members. For the year-to-date, dues were \$275.2, compared to budget of \$289.4 and \$299.4 last year. The variance resulted primarily from the lower number of members in 2012 and the change in the 2012 billing period. Year-to-date initiation fees were \$2.0 compared to budget of \$4.0.

Boat Storage

Storage revenue was (\$1.9) for the month as compared to budget of \$3.0 and \$0.6 in 2011. We issued several refunds for boats removed and the transfer of a boat slip that resulted in the negative amount in the month. Year-to-date storage revenue for 2012 was \$79.5 compared to budget of \$81.9 and \$78.9 last year.

Other Income

Year-to-date 2012 was \$16.0 as compared to budget of \$1.5 and \$1.9 last year. In January 2012, we received \$13.0, which is included in *Donations*, from GLSS related to a boat that was contributed to LGYC and GLSS. The boat was

subsequently sold in prior years by GLSS and the funds remitted to LGYC in January 2012.

Regatta

We held two regattas during the month, the traditional GLSS Regatta and also the ILYA C Invitational Regatta. The C regatta was very poorly attended, with only 18 boats participating. The GLSS regatta was fairly typical and was on budget. Regatta income for the month was \$9.4 as compared to budget of \$11.7 and \$1.9 last year. Regatta expense for the month was \$5.6 as compared to budget of \$16.2 and \$4.2 last year. Gross profit from the July regattas was \$3.8 as compared to budget of \$4.5. The C regatta gross profit was \$1.0 below budget.

Regatta revenue for the Spring E regatta in May was \$9.6 vs. budget of \$10.0. 29 boats attended this year's event, which was below the anticipated number of 35. Spending by the participants was favorable to the budget resulting in revenue slightly below budget. Total expense for the event, including allocated costs was \$6.7, resulting in a profit of \$2.9 for the event which was favorable to budget and last year.

Food and Beverage Operations

Revenues were \$46.6 for the month compared to budget of \$62.0 and \$62.2 in 2011. Revenues from regular operations and private parties were below budget and last year. In addition, club parties included in the July budget did not occur. Expenses for the month were \$36.2 compared to budget of \$45.7 and \$47.8 in 2011. The F&B operation had a gross profit of \$10.4 for the month as compared to a budget of \$16.3 and \$14.4 last year. The variance to last year reflects the lack of the very profitable private party business. While we controlled expenses well, it was not enough to offset the decline in revenue.

For the year-to-date, we have income of \$6.5 compared to a budget loss of (\$0.2). The 2011 year-to-date period had gross profit of \$19.7, again reflecting the effect of the private party business in 2011 as well as the higher volume levels in the base business.

Expenses

General Expenses

General expenses were \$4.6 for the month of July as compared to budget of \$5.0 and \$4.2 last year due to lower entertainment expense. For the year-to-date, general expenses were \$30.3 as compared to budget of \$34.6 and \$28.7 last year. The variance to budget is primarily due to the above noted entertainment and bad debt expense.

Race Operations

Race operation expenses were \$2.7 for the month as compared to budget of \$6.1 and \$19.7 last year. The variance to budget was due to lower trophy and fuel expenses during the month. For the year-to-date, race operations expenses were \$25.6 as compared to budget of \$29.7 and \$30.0 in 2011. In 2011 year-to-date, expenses for the flagship were not billed until July, so the comparison is not meaningful.

Professional Fees

Professional fees for the month were \$3.9 as compared to budget of \$0.8, and \$0.3 in 2011. Legal fees related to the new facility project created the variance to budget. Year-to-date expenses were \$18.9 compared to budget of \$8.8 and \$2.7 last year. The increase in expenses is due to costs related to the development of the new website and legal fees associated with the clubhouse project.

Maintenance

Expenses for June were \$1.0, as compared to budget of \$5.2 and \$4.3 last year. Clubhouse and grounds maintenance accounted for most of the variance. For the year-to-date, maintenance expenses were \$32.7 as compared to budget of \$50.2 and \$51.0 last year. The variance to budget is primarily the lower pier, clubhouse and grounds maintenance expenses.

Occupancy

Occupancy expenses were \$9.2 as compared to budget of \$8.7 and \$8.9 last year. For the year-to-date, occupancy expenses were \$50.2, as compared to budget of \$51.9 and \$51.0 last year.

Salary, Wages & Benefits

Total expenses were \$4.7 as compared to budget of \$5.1 and \$2.9 in 2011. The variance is due to higher expense for the new office manager as we incurred more time than budgeted for training, duplicate costs and transition costs. These cost increases were more than offset by lower manager expenses as a result of the manager having left the club in June. Year-to-date expenses were \$39.1 as compared to budget of \$46.5 and \$24.4 last year. The 2011 expense for the first three months of the year did not include salary expense for the club manager.

Interest Expense

Interest expense was \$0.0 as compared to budget of \$2.6 for the month as a result of the reversal of an accrual related to the refinancing of the mortgage in February. For the year-to-date, interest expense was \$15.5 compared to budget of \$18.8. The variance to budget reflects the lower interest rate on the mortgage which was refinanced in February 2012 and the accrual reversal in July.

Balance Sheet

Our cash position was \$341.2, an increase of \$62.2 as compared to December 31, 2011. Accounts receivable were \$881.4, up \$69.9 from December 31, 2011, but down \$6.2 from last month. Net inventories were \$19.4, up \$4.7 from December 31, 2011, and up \$1.0 from last month.

Construction in progress remains at \$50.8 at July 31, 2012, unchanged from last month. The account includes payments of \$33.2 for the roof on building one and \$7.6 for design work on the new clubhouse and \$10.0 of advances to GLSS for preliminary services provided by the general contractor for the new clubhouse facility.

Current liabilities were \$45.5 at July 31, 2012, compared to \$42.6 at December 31, 2011.

Our mortgage with M&I Bank was \$554.3 at July 31, 2012.