

Lake Geneva Yacht Club													
December 31, 2013 - Summary													
(\$000's)													
Income Statement													
			Month			Year-to-Date							
			Actual	Budget	Prior Year	Actual	Budget	Prior Year					
<b>Income</b>													
Dues & Initiation Fees		\$	-	\$	-	\$	302.1	\$	306.2	\$	311.6		
Boat Storage			6.3		10.0		5.4		137.6		130.4	127.8	
Resale			0.6		-		0.1		11.4		5.0	3.8	
Other Income			(0.3)		-		0.1		4.9		5.9	19.7	
Regatta			-		-		-		111.4		75.0	27.2	
Lease			3.8		3.8		3.8		45.3		45.3	45.3	
Food & Beverage			1.1		-		(0.1)		161.4		185.2	171.4	
Total		\$	11.5	\$	13.8	\$	9.3	\$	774.1	\$	753.0	\$	706.8
<b>Expense</b>													
Food & Beverage		\$	1.5	\$	1.2	\$	(0.2)	\$	165.6	\$	157.1	\$	154.9
Regatta			(0.9)		-		-		86.5		53.0		14.3
Resale			0.4		-		-		7.8		2.9		2.2
General			5.0		3.0		6.5		61.6		64.2		56.4
Race Operations			0.3		-		3.1		35.6		42.1		45.2
Professional Fees			0.8		-		9.6		13.1		12.0		49.7
Maintenance			5.8		1.9		3.2		62.8		84.3		52.3
Occupancy			8.5		7.2		6.8		92.7		92.4		89.1
Salaries & Wages			11.3		10.7		6.2		83.1		86.0		62.2
Interest			1.6		1.8		1.9		21.4		21.8		25.2
Lease			3.6		3.6		3.6		43.5		43.6		43.6
Other Expense (income)			(0.4)		-		-		(0.3)		0.1		(0.1)
			37.5		29.4		40.7		673.4		659.5		595.0
<b>Net Income</b>		\$	<b>(26.0)</b>	\$	<b>(15.6)</b>	\$	<b>(31.4)</b>	\$	<b>100.7</b>	\$	<b>93.5</b>	\$	<b>111.8</b>
<b>Balance Sheet</b>													
			<b>December 31,</b>	<b>December 31,</b>									
			<b>2013</b>	<b>2012</b>									
Cash		\$	409.0	\$	315.3								
Accounts Receivable, net			13.0		18.2								
Inventory			28.0		16.3								
Other Current Assets			2.8		4.1								
PP&E			1,180.8		1,215.7								
Total		\$	1,633.6	\$	1,569.6								
Current Liabilities		\$	39.7	\$	37.5								
Mortgage			501.0		538.1								
Lease			724.0		725.7								
Equity			368.9		268.3								
Total		\$	1,633.6	\$	1,569.6								

## **Overview**

For the month ended December 31, revenues were \$11.5 compared to budget of \$13.8 and prior year of \$9.3. Total expenses were \$37.5 vs. budget of \$29.4 and \$40.7 in the prior year. Net loss for the month was \$26.0 compared to a budget loss of \$15.6 and of \$31.4 in 2012.

For the year-to-date, revenues were \$774.1 compared to budget of \$753.0 and \$706.8 in the prior year. Expenses were \$673.4 compared to budget of \$659.5 and \$595.0 last year. Net income was \$100.7 compared to budget of \$93.5 and \$111.8 in 2012.

We have 220 members at December 31, 2013, down two from November, with one Associate resignation and the effect of a correction of membership data. We are five below budget, and down nine from December 31, 2012, excluding temporary members.

## **Revenue**

### *Dues and Initiation Fees*

For the year-to-date, dues were \$300.1 as compared to budget of \$304.2 and \$309.1 last year. The variance to last year reflects the lower number of members in 2013, partially offset by a 2.0% dues increase. Initiation fees for the year-to-date were \$2.0 as compared to budget of \$2.0 and \$2.5 last year.

### *Storage*

Storage revenue for the month was \$6.3 as compared to budget of \$10.0 and \$5.4 last year. The variance to budget reflects the higher billing in November. Year-to-date storage revenue was \$137.6 compared to budget of \$130.4 and \$127.8 last year. The variance to the year-to-date budget reflects primarily the higher summer storage. Winter storage revenue was slightly favorable to budget and approximately 10% higher than 2012.

### *Resale*

Merchandise sales were \$11.4 the year-to-date 2013 as compared to budget of \$5.0 and \$3.8 last year. The improvement over budget and last year reflects having better inventory of goods available for sale and additional sales of LGYC logo goods by regatta visitors during the year.

### *Other Income*

Year-to-date other income was \$4.9 as compared to budget of \$5.9 and \$19.7 in 2012. The 2012 period included a one-time donation of \$13.0.

## *Regatta Income*

Revenue from the Spring E regatta was \$11.0 as compared to budget of \$10.0 and \$9.6 last year. We had 26 boats participate in the regatta, which was below last year and budget. Revenues were favorable due to favorable food and beverage revenue.

Revenue from the A National regatta held June 21-23 was \$17.4 as compared to budget of \$21.0. Fifteen boats attended the event as compared to budget of 22.

The GLSS Dinghyfest regatta was held July 8-10<sup>th</sup>. LGYC's participation in the event was minimal at the request of GLSS. LGYC provided our Flagship and drivers as well as minimal food service and a tent.

The 420 National Championship regatta was held July 11-13 with 61 boats in attendance, nine short of the event budget. Revenue from the event was \$13.2 as compared to budget of \$13.5.

We held the M17 National Championship regatta in August 22-24, 2013, with 26 boats in attendance. The regatta was not included in the annual budget for 2013 since it was not certain that the regatta would be held at LGYC. Revenues were \$7.8.

The E National regatta was held September 6-8. Revenue was \$52.5 as compared to budget of \$22.5. In October, we received an additional \$3.1 from the National Class for the event, which is reflected in the \$52.5, due to the higher number of boats attending and to help cover our loss on the event. We had anticipated receiving \$1.0. The event was well attended, with 84 boats participating. The revenues were significantly higher than the original budget due to the social events.

The Melges24 regatta was held September 13-15. Revenues were \$7.2 as compared to the budget of \$8.0. Seventeen boats participated in the event.

## *Food & Beverage*

For the year-to-date, revenue was \$161.4 as compared to budget of \$185.2 and \$171.4 last year. Our F&B business was lower in all categories.

## **Expenses**

### *Food & Beverage Operations*

For the year-to-date, expenses were \$165.6 as compared to budget of \$157.1 and \$154.9 last year. The variance to budget and last year was due primarily to kitchen labor and food cost. In December 2013, we received some late billings for food product and also recorded a reserve of \$0.7 for food inventory that we did not expect to carryover to the spring of 2014.

### *Regatta Expenses*

Regatta expenses for the E Spring regatta were \$5.7 as compared to budget of \$7.5 and \$5.3 last year. Gross profit from the event was \$5.3 as compared to budget of \$2.5.

The A National regatta expenses were \$13.3 as compared to budget of \$16.0. Gross profit from the event was \$4.3 as compared to budget of \$5.0 reflecting the lower than planned turnout for the event.

GLSS Dinghyfest expenses were \$2.6. Gross profit was \$0.2. LGYC had extremely limited involvement in this event in 2013.

The 420 regatta expenses were \$9.4 as compared to budget of \$9.5. Gross profit was \$1.7.

Expenses for the M17 regatta were \$6.4, resulting in a gross profit of \$1.4 on a fully allocated basis.

Expenses for the E National regatta were \$53.7 on a fully allocated basis, resulting in a loss on the event of \$0.2. Numerous issues gave rise to the loss, including poor controls over the two catered events and the related contracts, insufficient food at for the Saturday dinner resulting in refunds to participants, the inability of LGYC to provide the bar service for the Saturday party, excess embroidery costs on merchandise and the failure by the NCESA to collect sales tax on merchandise sales resulting in a liability to the regatta. We reversed accruals of \$1.0 for a portion of the excess embroidery costs in December.

Expenses for the Melges24 regatta were \$5.3 on a fully allocated basis. Gross profit was \$2.4.

### *General Expenses*

General expenses were \$5.0 for the month as compared to budget of \$3.0 and \$6.5 last year. The variance to budget was due to the recording of additional bad debt reserve of \$2.6, as compared to the budget amount of \$1.3, and additional insurance expense adjustments of \$1.4.

For the year-to-date, general expenses were \$61.6 as compared to budget of \$64.2 and \$56.4 last year. General expenses were favorable to budget due to lower entertainment, membership development and the recognition dinner cost, partially offset by trophy dinner expense. As compared to 2012, trophy dinner, sales taxes and insurance expenses were higher in 2013.

### *Race Operations*

Year-to-date, expenses were \$35.6 as compared to budget of \$42.1 and \$45.2 last year. Expenses related to the Flagship and Boat 2, and trophy expense were favorable to budget and last year.

### *Professional Fees*

Year-to-date expenses were \$13.1 compared to budget of \$12.0 and \$49.7 last year. \$10.5 of the 2013 expenses is legal fees related to the clubhouse project. Last year included \$44.0 of legal fees related for the clubhouse project and \$3.9 of website development expenses.

### *Maintenance*

Expenses for December were \$5.8, as compared to budget of \$1.9 and \$3.2 last year. The variance is primarily due to timing of the pier removal billing of \$5.2 which was not received until December.

For the year-to-date, expenses were \$62.8 as compared to budget of \$84.3 and \$52.3 in 2012. The variance to budget is primarily due to not moving forward with the painting of Building 4 as budgeted as well as lower expenses for clubhouse, grounds, and pier expenses. As compared to last year, grounds expenses were higher due to the tree trimming project as well as higher clubhouse maintenance.

### *Occupancy*

Occupancy expenses were \$8.5 as compared to budget of \$7.2 and \$6.8 last year. The increase as compared to budget was due to higher utility costs and an adjustment to the real estate tax accrual.

For the year-to-date, occupancy expenses were \$92.7 as compared to budget of \$92.4 and \$89.1 last year. The year over year increase was due to higher depreciation expense and real estate taxes.

### *Salary, Wages & Benefits*

Total expenses were \$11.3 as compared to budget of \$10.7 and \$6.2 in 2012. The current period includes a \$3.0 accrual for 2013 bonus payments. There was no such provision in 2012.

For the year-to-date, expenses were \$83.1 as compared to budget of \$76.0 and \$62.2 last year. Expenses for 2012 reflect the impact of the club manager leaving in early June.

### *Interest Expense*

Interest expense was \$1.6 as compared to budget of \$1.8 for the month and \$1.9 in 2012. For the year-to-date, interest expense was \$21.4 compared to budget of \$21.8 and \$25.2 last year. The variance to last year reflects the lower interest rate on the mortgage and the reduced borrowings outstanding.

### **Balance Sheet**

Our cash position was \$409.0, an increase of \$93.7 as compared to December 31, 2012, but a decrease from last month of \$7.5. The decrease for December was due to December operating expenses, partially offset by collections on accounts receivable. Accounts receivable are down \$5.2 from December 31, 2012, and down \$9.6 from last month due to collections of \$7.0 and a bad debt provision of \$2.6. Net inventories were \$28.0, up \$11.7 as compared to December 31, 2012, and up \$2.2 from last month. Approximately \$6.5 of the increase as compared to December 31, 2013 was in liquor and \$3.6 was in resale merchandise.

Construction in progress is unchanged at \$17.6 at December 31, 2013. The account includes \$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 \$39.7 at December 31, 2013, compared to \$37.5 at December 31, 2012. Our mortgage balance was \$501.0 at December 31, 2013.