

Lake Geneva Yacht Club
September 30, 2013 - Summary
(\$000's)

Income Statement

	Month			Year-to-Date		
	Actual	Budget	Prior Year	Actual	Budget	Prior Year
Income						
Dues & Initiation Fees	\$ -	\$ -	\$ (0.3)	\$ 302.1	\$ 306.2	\$ 311.1
Boat Storage	0.2	-	-	85.5	80.4	79.6
Resale	1.1	1.0	0.2	10.7	4.5	3.4
Other Income	(0.2)	0.4	-	3.2	4.6	16.3
Regatta	57.1	30.5	-	109.3	75.0	19.0
Lease	3.8	3.8	3.8	34.0	34.0	34.0
Food & Beverage	6.4	14.2	20.3	152.5	179.2	171.6
Total	\$ 68.4	\$ 49.9	\$ 24.0	\$ 697.3	\$ 683.9	\$ 635.0
Expense						
Food & Beverage	\$ 21.6	\$ 14.9	\$ 15.0	\$ 160.7	\$ 153.6	\$ 147.9
Regatta	54.3	20.0	-	87.4	53.0	10.7
Resale	0.5	0.7	0.1	7.3	2.9	1.9
General	1.9	3.5	4.1	44.5	47.3	40.0
Race Operations	7.9	10.0	11.0	31.4	38.0	42.3
Professional Fees	-	1.0	3.6	12.3	10.5	37.2
Maintenance	5.2	2.8	3.3	50.8	68.2	37.9
Occupancy	9.9	8.7	7.7	69.8	70.6	66.2
Salaries & Wages	6.1	7.0	3.8	61.6	63.0	47.3
Interest	1.7	1.8	2.0	16.6	16.5	19.5
Lease	3.6	3.6	3.6	32.7	32.7	32.7
Other Expense	0.2	(0.4)	(0.1)	0.5	0.1	(0.2)
Total	112.9	73.6	54.1	575.6	556.4	483.4
Net Income	\$ (44.5)	\$ (23.7)	\$ (30.1)	\$ 121.7	\$ 127.5	\$ 151.6

Balance Sheet

	Sept. 30, 2013	December 31, 2012	Sept. 30, 2012
Cash	\$ 413.4	\$ 315.3	\$ 331.6
Accounts Receivable, net	45.0	18.2	53.8
Inventory	27.6	16.3	16.8
Other Current Assets	4.1	4.1	6.1
PP&E	1,192.2	1,215.7	1,209.0
Total	\$ 1,682.3	\$ 1,569.6	\$ 1,617.3
Current Liabilities	\$ 53.1	\$ 37.5	\$ 34.6
Mortgage	514.9	538.1	547.9
Lease	724.4	725.7	726.2
Equity	389.9	268.3	308.6
Total	\$ 1,682.3	\$ 1,569.6	\$ 1,617.3

Overview

For the month ended September 30, 2013, revenues were \$68.4 compared to budget of \$49.9 and prior year of \$24.0. Total expenses were \$112.9 vs. budget of \$73.6 and \$54.1 in the prior year. Net loss was \$44.5 compared to a budget loss

of \$23.7 and loss of \$30.1 in 2012. The loss was due to the poor financial results for the E National regatta and poor results in the F&B for the month.

For the year-to-date, revenues were \$697.3 compared to budget of \$683.9 and \$635.0 in the prior year. Expenses were \$575.6 compared to budget of \$556.4 and \$483.4 last year. Net income was \$121.7 compared to budget of \$127.5 and \$151.6 in 2012.

We have 225 members at September 30, 2013, unchanged from August. We are at budget but down four 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 \$309.5 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 \$2.0 last year.

Storage

Year-to-date storage revenue was \$85.5 compared to budget of \$80.4 and \$79.6 last year.

Other Income

Year-to-date other income was \$3.2 as compared to budget of \$4.6 and \$16.3 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 8-10th. 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 in September. Revenue was \$49.8 as compared to budget of \$22.5. 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

Food & beverage revenue was \$6.4 as compared to budget of \$14.2 and \$20.3 last year. Performance in the base business continued to show the same downward trend that we saw in August. For the year-to-date, revenue was \$152.5 as compared to budget of \$179.2 and \$171.6 last year.

Expenses

Food & Beverage Operations

Food and beverage expenses for the month of September were \$21.6 as compared to budget of \$14.9 and \$15.0 last year. We had higher kitchen labor costs and higher food costs. We had significant waste during due to poor ordering and control over inventory. In addition, there was no physical inventory in August, so the costs for that month were probably not accurate.

For the year-to-date, expenses were \$160.7 as compared to budget of \$153.6 and \$147.9 last year. The variance to budget and last year was due primarily to kitchen labor costs food cost.

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. Gross profit was \$4.3 as compared to budget of \$5.0.

GLSS Dinghyfest expenses were \$2.6. Gross profit was \$0.2.

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 \$3.4. 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.

Expenses for the Melges24 regatta were \$5.3 on a fully allocated basis. Gross profit was \$2.4. While the financial results were not bad, we need to evaluate the continuation of this regatta due to the poor participation.

General Expenses

General expenses were \$1.9 for the month as compared to budget of \$3.5 and \$4.1 last year. The variance to budget and last year was due to holding the trophy dinner in August and lower membership development expense. The trophy dinner was budgeted as two separate events in September and October.

For the year-to-date, general expenses were \$44.4 as compared to budget of \$47.3 and \$40.0 last year. General expenses were favorable to budget due to lower entertainment, membership development and bad debt expenses, partially offset by the trophy dinner expenses.

Race Operations

Race operations expenses were \$7.9 for the month as compared to budget of \$10.0 and \$11.0 last year. For the year-to-date, expenses were \$31.4 as compared to budget of \$38.0 and \$42.3 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 \$12.3 compared to budget of \$10.5 and \$37.2 last year. \$10.5 of the 2013 expenses is legal fees related to the clubhouse project. Last year included \$31.4 of legal fees related for the clubhouse project and \$3.9 of website development expenses.

Maintenance

Expenses for September were \$5.2, as compared to budget of \$2.8 and \$3.3 last year. For the year-to-date, expenses were \$50.8 as compared to budget of \$68.2 and \$37.9 in 2012. The variance to budget is primarily due to not moving forward with the painting of Building 4. In addition, clubhouse, grounds, and pier expenses were favorable to budget.

Occupancy

Occupancy expenses were \$9.9 as compared to budget of \$8.7 and \$7.7 last year. Most of the variance was related to a \$1.5, far and a way the highest water bill we have received from Fontana. For the year-to-date, occupancy expenses were \$69.8 as compared to budget of \$70.6 and \$66.2 last year.

Salary, Wages & Benefits

Total expenses were \$6.1 as compared to budget of \$7.0 and \$3.8 in 2012. For the year-to-date, expenses were \$61.6 as compared to budget of \$63.0 and \$47.3 last year. Adjustments were made to salaried personnel in July to better align against the budget. 2012 expenses reflect the impact of the club manager leaving in early June.

Interest Expense

Interest expense was \$1.7 as compared to budget of \$1.8 for the month and \$2.0 in 2012. For the year-to-date, interest expense was \$16.6 compared to budget of \$16.5 and \$19.5 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 \$413.4, an increase of \$98.1 as compared to December 31, 2012, and up \$29.3 from last month. Accounts receivable were \$45.0, up \$26.8 from December 31, 2012, but down \$54.0 from last month. Net inventories were \$27.6, up \$10.3 as compared to December 31, 2012, but down \$10.9 from last month. \$7.2 of the increase as compared to December 2012, is liquor.

Construction in progress is unchanged at \$17.6 at September 30, 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 \$53.1 at September 30, 2013, compared to \$37.5 at December 31, 2012. Our mortgage balance was \$514.9 at September 30, 2013, unchanged from August 31, 2013. There was no principal payment in August and September as we were waiting for the bank on the refinancing of the mortgage. The refinancing was completed in late September, with a 12 month note. The interest rate was reduced from 4.2% to 3.75%. Principal payments for August and September were made in early October.