

Lake Geneva Yacht Club													
September 30, 2014 - Summary													
(\$000's)													
Income Statement													
			Month			Year-to-Date							
			Actual	Budget	Prior Year	Actual	Budget	Prior Year					
Income													
Dues & Initiation Fees		\$	-	\$	-	\$	317.0	\$	308.0	\$	302.1		
Boat Storage			0.2		-		81.8		85.4		85.5		
Resale			0.1		2.0		7.3		10.0		10.7		
Other Income			1.3		-		5.1		3.5		3.2		
Regatta			-		-		34.8		20.8		109.3		
Lease			3.8		3.8		34.0		34.0		34.0		
Food & Beverage			7.8		6.0		134.8		156.0		152.5		
Total		\$	13.2	\$	11.8	\$	614.8	\$	617.7	\$	697.3		
Expense													
Food & Beverage		\$	0.1	\$	4.5	\$	21.6	\$	115.2	\$	140.4	\$	160.7
Regatta			-		-		54.3		20.2		12.6		87.4
Resale			0.1		1.1		0.5		5.0		5.5		7.3
General			6.4		12.0		1.9		41.7		45.1		44.5
Race Operations			1.4		2.4		7.9		37.7		35.8		31.4
Professional Fees			2.1		1.9		-		7.6		13.4		12.3
Maintenance			1.4		1.5		5.2		60.7		61.7		50.8
Occupancy			12.1		8.4		9.9		77.5		68.3		69.8
Salaries & Wages			6.6		7.1		6.1		61.0		67.3		61.6
Interest			1.2		1.5		1.7		13.6		13.5		16.6
Lease			3.6		3.6		3.6		32.6		32.6		32.7
Other Expense (income)			(2.8)		2.5		0.2		(2.6)		2.4		0.5
Total			32.2		46.5		112.9		470.2		498.6		575.6
Net Income (loss)		\$	(19.0)	\$	(34.7)	\$	(44.5)	\$	144.6	\$	119.1	\$	121.7
Balance Sheet													
			September 30,	December 31,	September 30,								
			2014	2013	2013								
Cash		\$	525.0	\$	409.0	\$	413.4						
Accounts Receivable, net			41.2		13.0		45.0						
Inventory			20.5		28.0		27.6						
Other Current Assets			4.7		2.8		4.0						
PP&E			1,158.1		1,180.8		1,192.3						
Total		\$	1,749.5	\$	1,633.6	\$	1,682.3						
Current Liabilities		\$	37.3	\$	39.7	\$	53.1						
Mortgage			476.2		501.0		514.9						
Lease			722.5		724.0		724.4						
Equity			513.5		368.9		389.9						
Total		\$	1,749.5	\$	1,633.6	\$	1,682.3						

Overview

For the month ended September 30, 2014 revenues were \$13.2 compared to budget of \$11.8 and prior year of \$68.4. Total expenses were \$32.2 vs. budget of \$46.5 and \$112.9 in the prior year. Net loss for the month was \$19.0 compared to budget loss of \$34.7 and \$44.5 in 2013. Club operations ceased at the end of August in preparation for the demolition of the clubhouse. 2013 included the 85 boat E National Regatta, which had a significant impact on September revenues and expenses.

For the year-to-date, revenues were \$614.8 compared to budget of \$617.7 and prior year of \$697.3. Total expenses were \$470.2 vs. budget of \$498.6 and \$575.6 in the prior year. Net income for the year-to-date was \$144.6 compared to budget of \$119.1 and \$121.7 in 2013.

We have 237 members at September 30, 2014, unchanged from last month. We remain four favorable to budget and 15 ahead of December 31, 2013.

Revenue

Dues

For the year-to-date, dues were \$313.5 as compared to budget of \$306.0 and \$304.2 last year. The variance to budget and last year reflects the increased membership levels and the dues increase implemented in 2014.

Initiation Fees

For the year-to-date, initiation fees were \$3.5 as compared to budget of \$2.0 and \$2.0 in 2013.

Boat Storage

The year-to-date, boat storage revenue was \$81.8 as compared to budget of \$85.4 and \$85.5 last year. August storage revenue was \$0.2. We are storing fewer boats this year and did not have late fees on storage in 2014 as compared to \$1.8 in 2013.

Regatta Income

Revenue from the Spring E Regatta in May was \$11.9 as compared to budget of \$8.0 and \$11.0 last year. We had 35 boats participate in the regatta, which was five more than budget and six more than the 2013 event.

The GLSS Dinghyfest regatta was held July 7-10th. The event is a GLSS event, with LGYC providing a tent, race committee boats and drivers, and a few other very minor items. We did not provide any food and beverage service for the event. Total revenues were \$2.6.

We hosted the ILYA E Invitational Regatta July 11-13. There were 31 boats in attendance, which was nine boats below the budgeted number. Revenues were \$12.0 as compared to budget of \$8.0. Sponsorship revenues received by the ILYA were passed through to LGYC to help support the event.

The ILYA M17 Championship regatta was held July 19-20, with 15 boats registered, as compared to budget of 25. Revenues were \$2.8.

LGYC hosted a PHRF regatta in July for local non-LGYC as well as LGYC members. It was a five race event with one race every Wednesday evening in July. The registration fee was \$100 for non-LGYC members and no charge to LGYC members. A total of 17 boats participated. While we had hoped for more boats, the event drove a good deal of activity on Wednesday evenings and seemed to be well received by the participants. Total revenue was \$5.4, which was primarily food and beverage.

Food & Beverage

Revenue was \$7.8 as compared budget of \$6.0 and \$6.4 last year. The 2014 trophy dinner was budgeted in September, but was actually held in August. Actual 2014 revenue consisted entirely of food minimums which were billed in September. For the year-to-date, revenue was \$134.8 compared to budget of \$156.0 and \$152.5 last year.

Expenses

Food & Beverage

Expenses were \$0.1 for the month as compared to budget of \$4.5 and \$21.6 last year. Budgeted expenses were for the trophy dinner, which was held in August. With the closing of the clubhouse at the end of August, no expenses were incurred

Year-to-date expenses were \$115.2 as compared to budget of \$140.4 and \$160.7 last year as noted above.

For the year-to-date, gross profit was \$19.6 compared to budget of \$15.6 and a loss of \$8.2 in 2013.

Regatta Expenses

Regatta expenses for the E Spring Regatta were \$6.4 as compared to budget of \$6.0. On a fully allocated basis gross profit from the event was \$4.2 as compared to budget of \$1.7.

The GLSS Dinghyfest regatta expenses were \$1.3. On a fully allocated basis, gross profit was \$0.2 as compared to a budget of \$0.1.

The ILYA E Invitational regatta expenses were \$8.8 as compared to budget of \$5.0 11-13. On a fully allocated basis, gross profit was \$1.4 as compared to budget of \$0.4. The lower number of boats was offset by the additional contribution from the ILYA to help offset the cost of the event.

Expenses for the M17 Championship regatta were \$1.5. This event was not included in the annual budget since it was awarded to LGYC in early spring of 2014. On a fully allocated basis gross profit was \$0.6.

The PHRF regatta expenses consisted primarily of food and beverage costs. The event was also put together after the annual budget process, so it was not included therein. From an operations perspective, we planned a gross profit of \$2.1 with actual coming in at \$3.6. The event expenses did not include race committee boats and drivers, or charges for house usage since the event was run in conjunction with our regular Wednesday night racing program.

General Expenses

General expenses were \$6.4 for the month as compared to budget of \$12.0 and \$1.9 last year. The entire variance vs. budget was due to the trophy dinner, which was held on August 30th, but was budgeted in September (\$5.0).

For the year-to date, general expense was \$41.7 compared to budget of \$45.1 and \$44.5 last year. The variance to budget includes higher insurance expense which was more than offset by lower entertainment, printing and membership expenses.

Race Operations

Race operation expenses for the month were \$1.4 compared to budget of \$2.4 and \$7.9 last year. The variance to budget is due to the lower costs on both of boats which were taken out of the water earlier than in the prior years

Year-to-date expenses were \$37.7 as compared to budget of \$35.8 and \$31.4 last year. The variance to budget reflects that higher expense with both of our boats, with significant repairs on both boats during the season as well as trophy expenses, partially offset by lower driver wages.

Professional Fees

Year-to-date professional fees were \$7.6 as compared to budget of \$13.4 and \$12.3 in 2013. We are favorable to budget primarily due to lower legal and computer consulting fees. We incurred any professional fees of \$2.1 in the month of September for environmental consulting related to the old underground fuel storage tanks. The tanks were removed in 1989. Phase 1 environmental studies were performed in September at the request of our bank in connection with the financing for the new facility.

Maintenance

Expenses for September were \$1.4, as compared to budget of \$1.5 and \$5.2 last year.

Year-to-date expense was \$60.7 compared to budget of \$61.7 and \$50.8 last year. The variance to last year is primarily due to more extensive pier repairs and the painting of building 4 in 2014.

Occupancy

Occupancy expenses were \$12.1 as compared to budget of \$8.4 and \$9.9 last year. For the year-to-date, occupancy expense was \$77.5 compared to budget of \$68.3 and \$69.8 last year. The variance to budget included \$5.2 of move related costs, of which \$2.5 was budgeted in another category.

We incurred \$3.0 of move related costs during the month. Move costs were related to the shutdown of the building and the move out in preparation for demolition which took place in mid September.

Salary, Wages & Benefits

Total expenses were \$6.6 as compared to budget of \$7.1 \$6.1 in 2013. Year-to-date expense was \$61.0 compared to budget of \$67.3 and \$61.6 last year. Salaries and wages and related payroll taxes are favorable to budget, partially offset by higher workers compensation insurance expense.

Interest Expense

Interest expense was \$1.2 as compared to budget of \$1.5 for the month and \$1.7 in 2013. For the year-to-date, interest expense was \$13.6 compared to budget of \$13.5 and \$16.6 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 \$525.0 at September 30, 2014, an increase of \$5.6 compared to August 31, 2014 and an increase of \$116.0 as compared to December 31, 2013. Accounts receivable were \$41.2, a decrease of \$30.0 from last month. Net inventories were \$20.5, down \$0.1 as compared to last month and \$7.5 lower than December 31, 2013.

Construction in progress remains at \$17.6 at September 30, 2014. The balance 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 \$37.3 at September 30, 2014, compared to \$39.7 at December 31, 2013 and \$53.1 at August 31, 2013.

The mortgage balance at September 30, 2014 was \$476.2, unchanged from last month and as compared to \$501.0 at December 31, 2013 and \$514.9 last year. Our mortgage came due August 2, 2014. A new mortgage note was signed in September, pending the new construction financing that is in process. The note is for a 12 month term and carries a floating monthly interest rate of Libor plus 2.75% (currently 2.9%).