

# Florida Trends in Private Clubs

A Preview of the 2011 Report

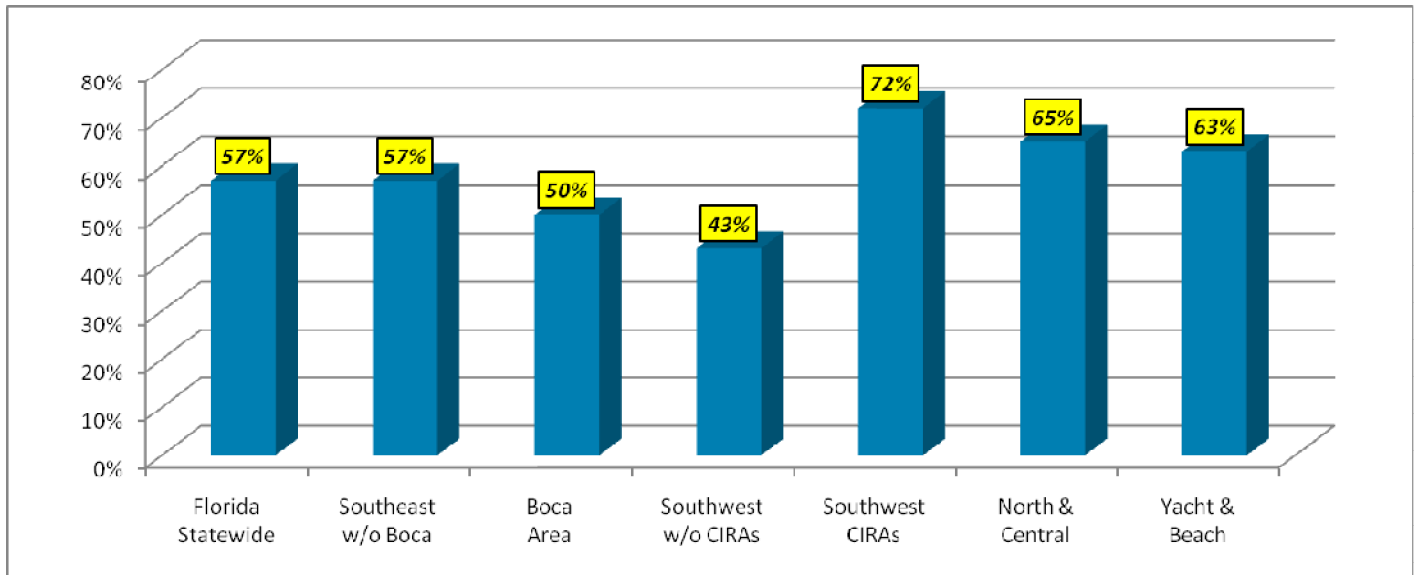


Assurance ■ Tax ■ Consulting

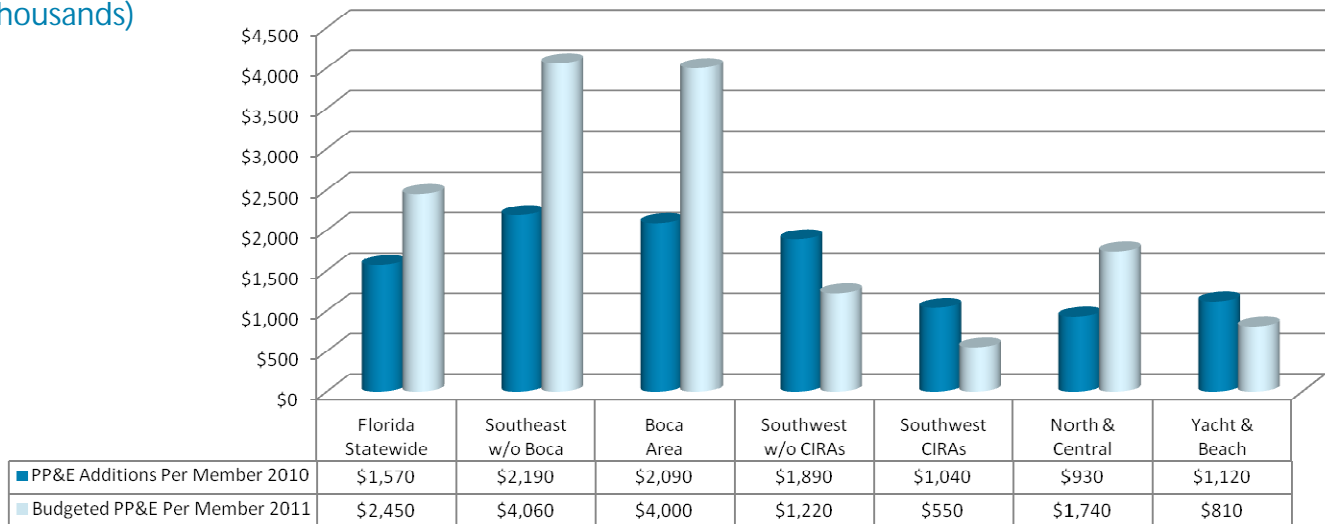


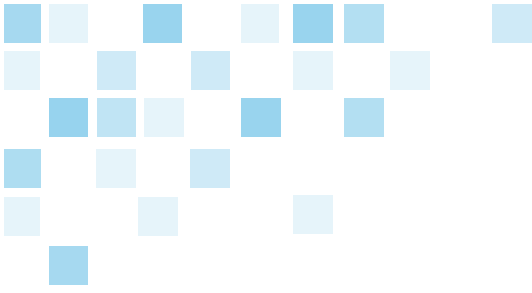
# Trends from the Balance Sheet

## Percentage of Clubs With Positive Working Capital



## Capital Improvements Per Member (thousands)

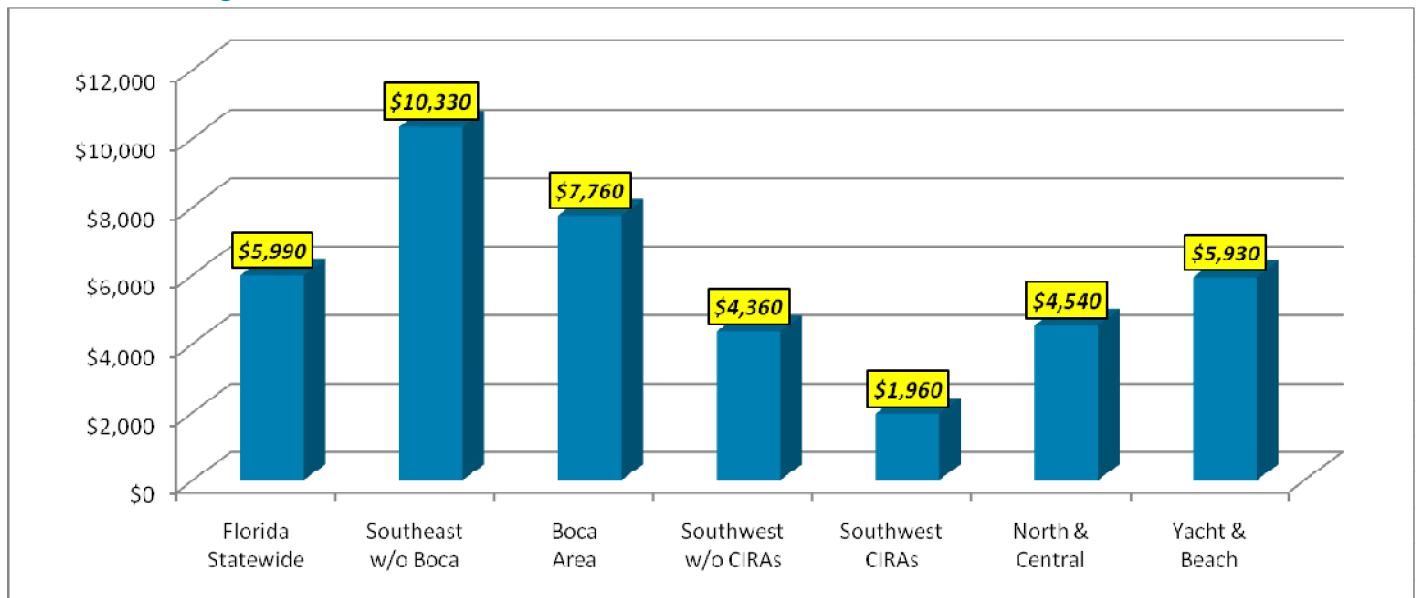


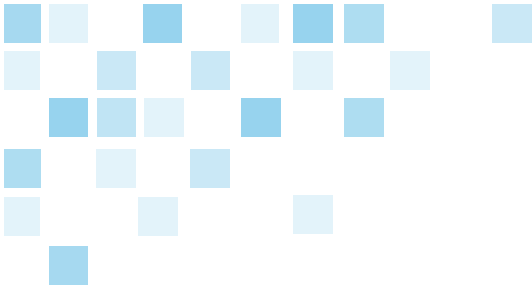


## Significant Planned Projects

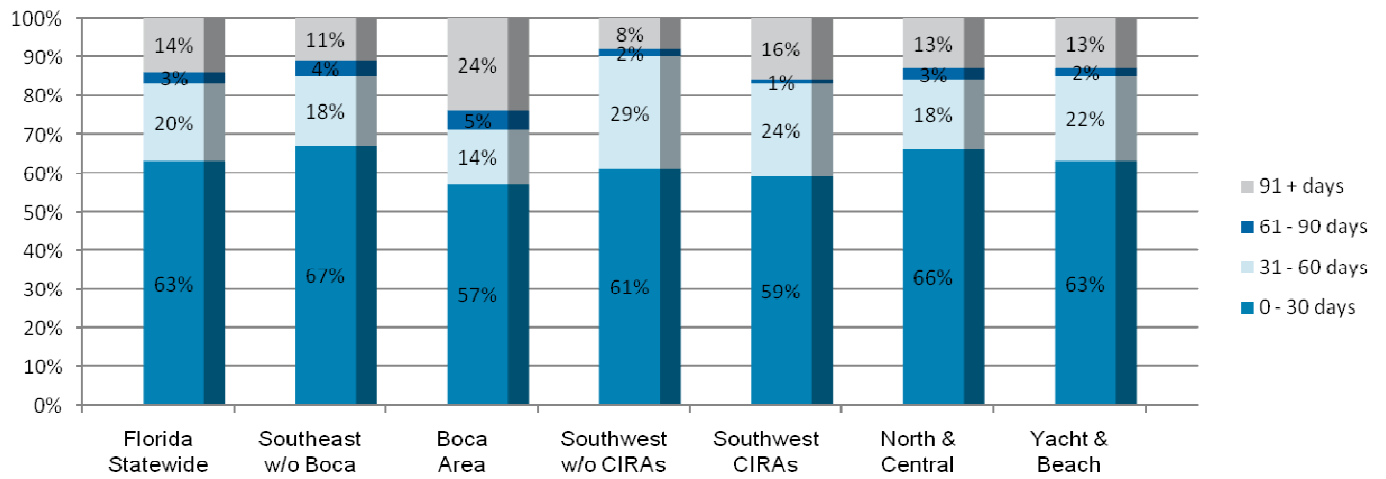
Region/Type	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central	Yacht & Beach
% Clubs with Significant Planned Projects in Year Ahead	24%	30%	45%	19%	6%	19%	11%
Budgeted Project Amount (thousands)	\$4,016	\$5,599	\$5,656	\$476	\$320	\$2,420	\$505

## Third Party Debt Per Member



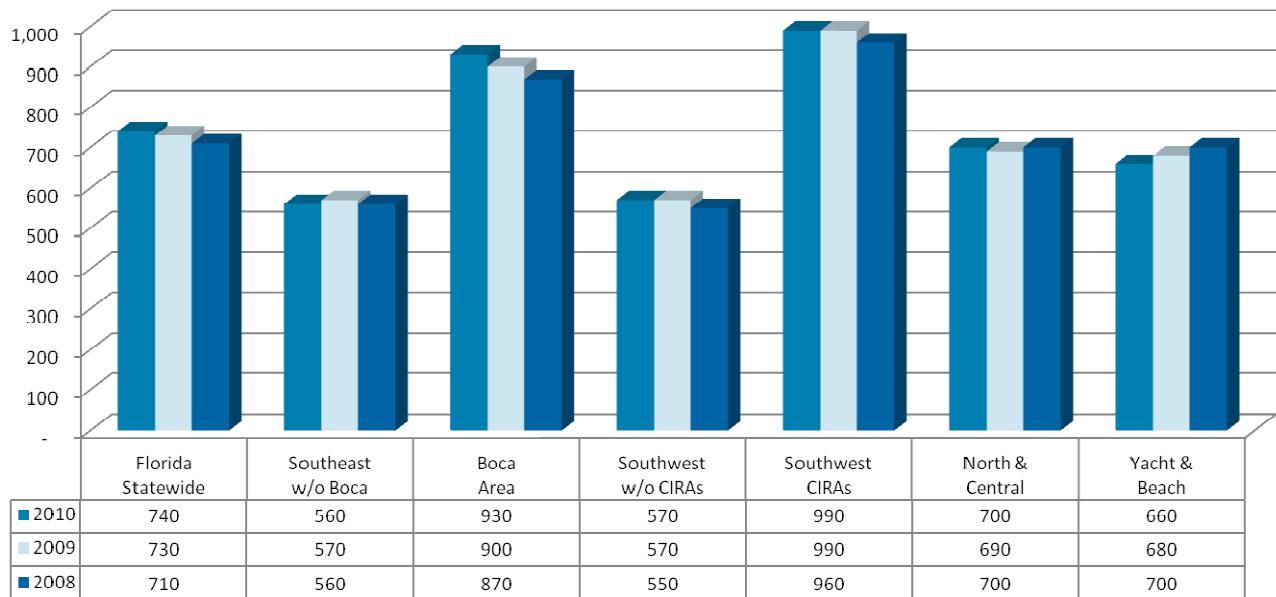


## Delinquent A/R Balances



# Trends in Membership

## Number of Total Memberships



## Total Annual Membership Cost

Region/Type	Full Membership						
	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central	Yacht & Beach
Joining Fees 2011	\$67,300	\$84,500	\$58,800	\$62,700	\$2,600	\$62,700	\$25,300
Refundable Equity Percentages	39%	29%	43%	34%	0%	52%	8%

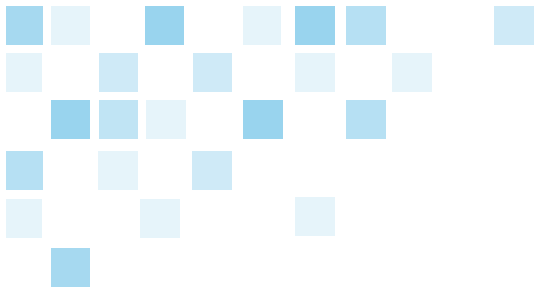
Dues 2010	\$11,000	\$12,100	\$14,900	\$9,100	\$4,300	\$8,700	\$4,300
Total Cost in 2010 **	\$15,700	\$18,200	\$20,400	\$12,000	\$6,000	\$11,200	\$8,900

\*\* Includes capital assessment, operating assessment, food and beverage minimum and mandatory service charge if applicable

Region/Type	Entry Membership						
	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central	Yacht & Beach
Joining Fees 2011	\$43,800	\$57,800	\$41,100	\$37,000	\$2,500	\$39,400	\$12,600
Refundable Equity Percentages	33%	20%	35%	31%	0%	50%	17%

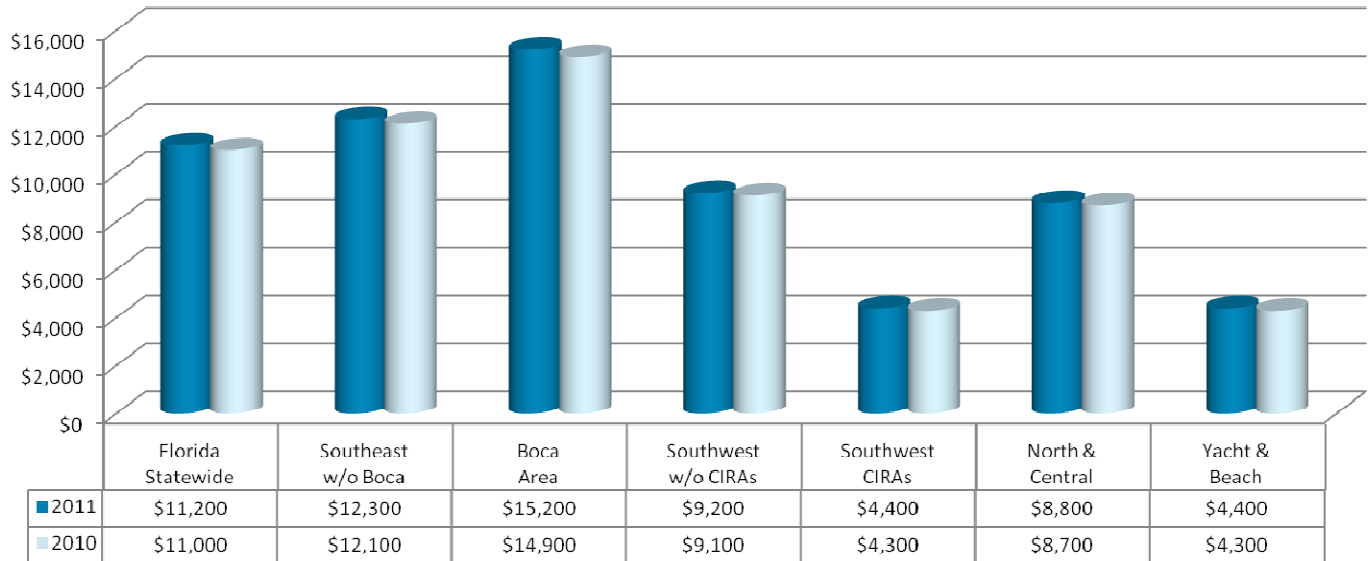
Dues 2010	\$5,000	\$4,600	\$8,600	\$2,700	\$2,900	\$4,200	\$2,100
Total Cost in 2010 **	\$6,600	\$6,500	\$10,400	\$3,100	\$3,400	\$4,900	\$3,600

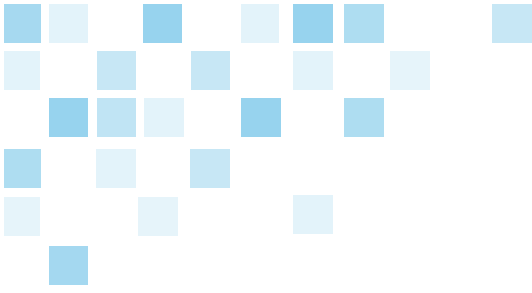
\*\* Includes capital and operating assessment if applicable



## Dues (Full Membership)

Region/Type	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central	Yacht & Beach
2011	\$11,200	\$12,300	\$15,200	\$9,200	\$4,400	\$8,800	\$4,400
2010	\$11,000	\$12,100	\$14,900	\$9,100	\$4,300	\$8,700	\$4,300
Change	\$200	\$200	\$300	\$100	\$100	\$100	\$100
Percent	2%	2%	2%	1%	2%	1%	2%





## Annual Capital Assessment

Region/Type	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central	Yacht & Beach
Full Membership	\$1,150	\$1,460	\$1,310	\$980	\$690	\$980	\$920
Entry Membership	\$670	\$720	\$970	\$350	\$480	\$650	\$480

## Joining Fee (Full Membership)

Region/Type	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central	Yacht & Beach
2011	\$67,300	\$84,500	\$58,800	\$62,700	\$2,600	\$62,700	\$25,300
2010	\$72,500	\$89,800	\$67,400	\$58,700	\$2,400	\$68,700	\$29,500
Change	\$(5,200)	\$(5,300)	\$(8,600)	\$4,000	\$200	\$(6,000)	\$(4,200)
Percent	(7)%	(6)%	(13)%	7%	8%	(9)%	(14)%

## Clubs With Resigned Member Waiting Lists

Region/Type	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central	Yacht & Beach
Percentage of Clubs with Resigned Member Waiting	41%	22%	55%	76%	n/a	46%	21%
Average Length of Wait List (Years)	8	12	10	5	n/a	7	7



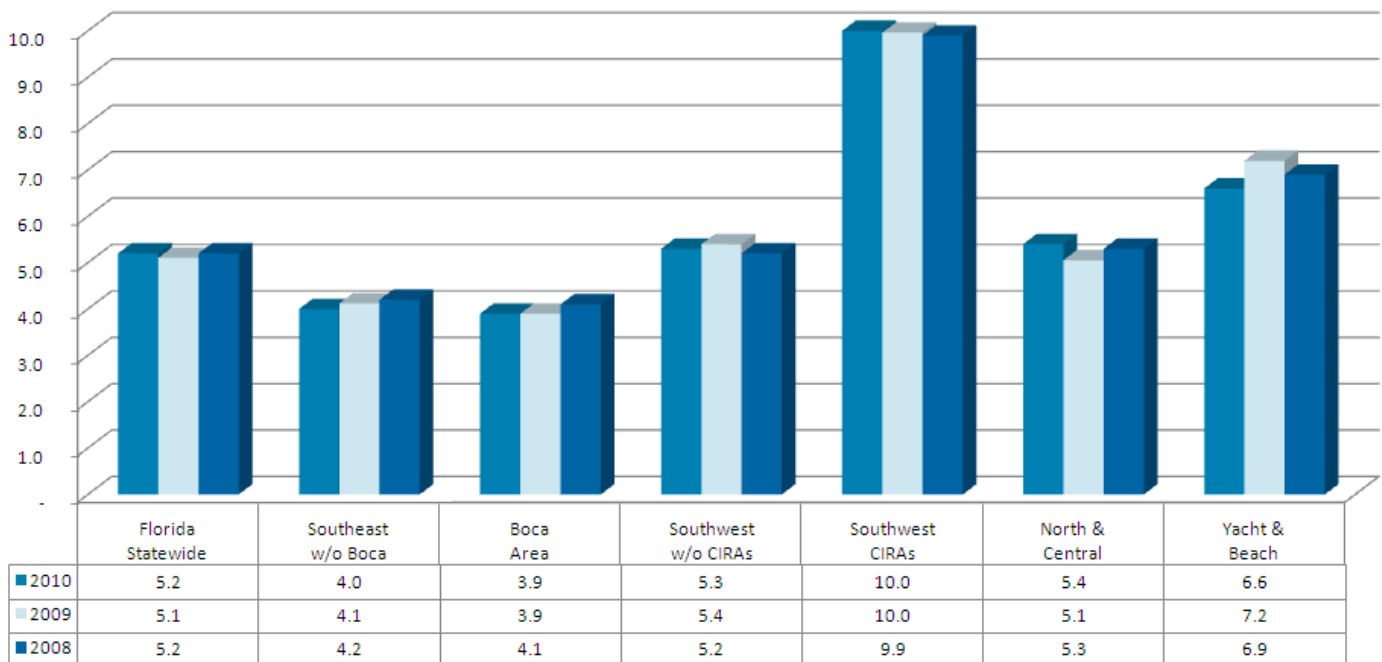


# Trends in Operating Revenue and Expenses

## Operating Revenues and Expenses

Region/Type	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central	Yacht Beach
<b>Revenues:</b>							
Dues	63.9%	64.8%	67.1%	61.8%	62.0%	59.9%	53.1%
Sports	15.0%	14.9%	12.7%	18.1%	17.5%	15.4%	12.5%
Food	14.0%	13.0%	15.1%	13.5%	11.1%	15.5%	21.5%
Beverage	3.9%	3.6%	2.3%	5.0%	4.4%	5.9%	8.8%
Other	3.2%	3.7%	2.8%	1.6%	5.0%	3.3%	4.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average operating revenues	\$9,196,000	\$10,046,000	\$15,477,000	\$6,371,000	\$6,049,000	\$7,807,000	\$5,493,000
<b>Expenses:</b>							
Payroll and related	52.2%	50.6%	53.1%	55.0%	49.3%	52.5%	48.4%
Cost of sales - food and beverage	8.1%	7.5%	8.9%	7.1%	6.7%	8.9%	12.2%
Operating	35.0%	35.8%	33.5%	33.2%	41.2%	34.0%	33.1%
Taxes and insurance	4.7%	6.1%	4.5%	4.7%	2.8%	4.6%	6.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average operating expenses	\$8,972,000	\$9,854,000	\$15,064,000	\$6,240,000	\$5,843,000	\$7,619,000	\$5,389,000
Average surplus	\$224,000	\$192,000	\$413,000	\$131,000	\$206,000	\$188,000	\$104,000

## Memberships to Employees



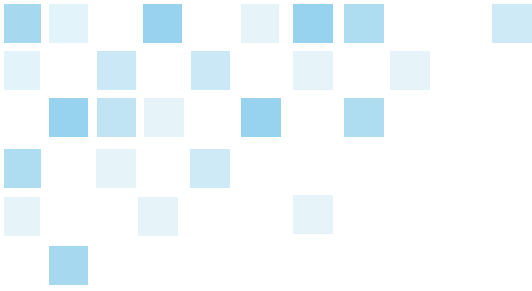


# Trends in Food & Beverage Operations

## Restaurant Operations

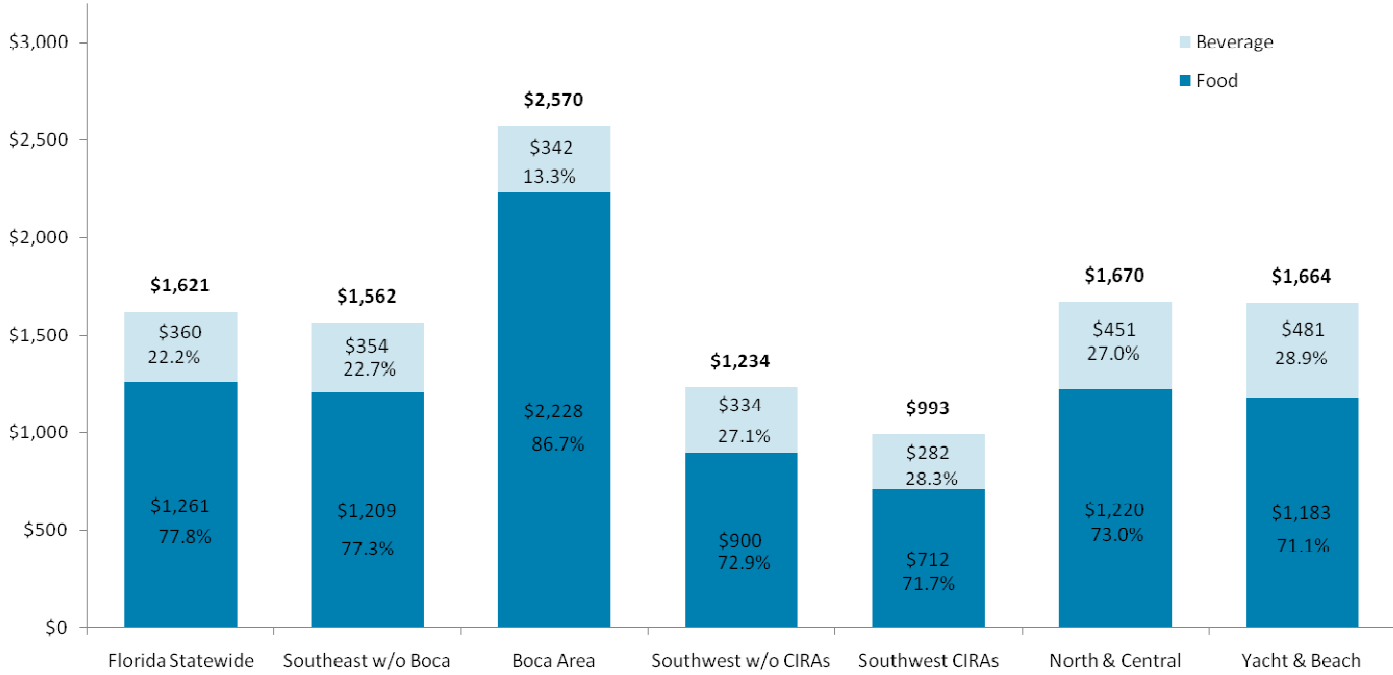
Region/Type	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central	Yacht & Beach
<b>Food sales</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Cost of food sold (net of employee meals)</b>	47.2%	47.8%	52.6%	40.6%	46.3%	43.2%	43.1%
<b>Gross profit, food</b>	52.8%	52.2%	47.4%	59.4%	53.7%	56.8%	56.9%
<b>Beverage sales</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Cost of beverages sold</b>	31.2%	33.5%	31.4%	29.8%	29.7%	30.9%	30.4%
<b>Gross profit, beverage</b>	68.8%	66.5%	68.6%	70.2%	70.3%	69.1%	69.6%
<b>Combined F&amp;B sales</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Combined cost of sales</b>	43.6%	44.6%	49.8%	37.7%	41.6%	39.9%	39.4%
<b>Gross profit, combined</b>	56.4%	55.4%	50.2%	62.3%	58.4%	60.1%	60.6%
<b>Departmental expenses:</b>							
<b>Salaries and wages, net of gratuities</b>	67.6%	63.3%	82.8%	60.5%	67.0%	57.6%	51.5%
<b>Payroll taxes and employee benefits</b>	18.7%	18.3%	22.2%	17.3%	18.3%	15.8%	14.8%
<b>All other expenses</b>	16.7%	16.0%	20.4%	13.7%	16.1%	14.8%	15.7%
<b>Total departmental expenses</b>	103.0%	97.6%	125.4%	91.5%	101.4%	88.2%	82.0%
<b>Departmental (loss)</b>	(46.6)%	(42.2)%	(75.2)%	(29.2)%	(43.0)%	(28.1)%	(21.4)%
<b>Dollars of Food Sales to \$1.00 of Beverage Sales</b>	\$3.51	\$3.41	\$6.52	\$2.69	\$2.53	\$2.71	\$2.46
<b>Average volume (thousands)</b>	\$1,621	\$1,562	\$2,570	\$1,234	\$993	\$1,670	\$1,664
<b>Average membership level</b>	740	560	930	570	990	700	660
<b>Average subsidized departmental loss</b>	\$(755,900)	\$(660,100)	\$(1,930,500)	\$(361,900)	\$(428,300)	\$(469,400)	\$(356,500)
<b>Average subsidized loss per membership</b>	\$1,020	\$1,180	\$2,080	\$630	\$430	\$670	\$540

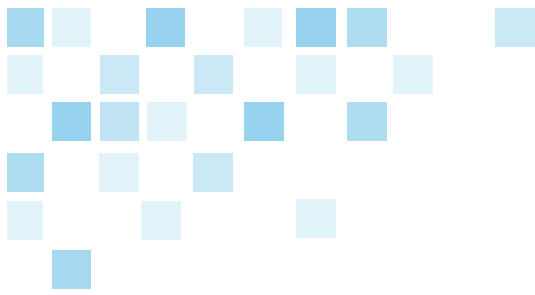




# Average Food & Beverage Sales Volume (thousands)

Food & Beverage Sales Volume  
(Thousands)





# Trends in Golf

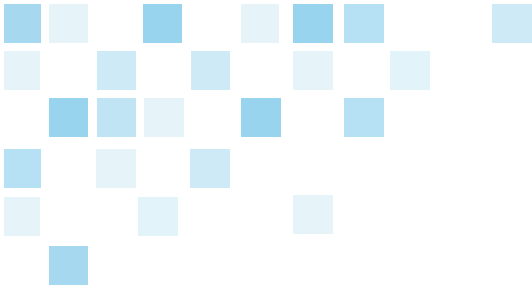
## Golf Pro Shop Operations

Region/Type	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central
Rounds (18 holes)	24,300	17,600	21,400	22,700	36,500	21,300
% Change	(11.0)%	(8.3)%	(5.3)%	(12.7)%	(15.3)%	(12.3)%
Rounds (Multi, based on 18)	24,700	22,900	27,700	22,100	43,700	19,700
% Change	(5.7)%	(8.0)%	(5.8)%	(6.4)%	(6.2)%	(5.7)%
% Clubs owning In House Pro Shop	73%	52%	80%	70%	94%	73%
Pro Shop Cost of Sales	78%	74%	79%	76%	80%	77%

## Golf Course Maintenance Costs – 18 Holes

Region/Type	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central
Cost per hole:						
Salaries and wages	\$35,900	\$39,700	\$35,900	\$38,200	\$33,200	\$33,500
	8,000	9,300	8,000	8,500	7,200	7,100
Cost Per Acre (Multi)	17,400	18,200	16,400	17,300	18,200	16,400
Repairs to equipment, course buildings, water drainage system, etc.	5,700	6,100	4,800	6,000	5,400	6,000
All other expenses (including utilities and leases)	9,600	11,300	6,200	10,900	10,700	8,400
	\$76,600	\$84,600	\$71,300	\$80,900	\$74,700	\$71,400
Totals for 18 Holes	\$1,378,800	\$1,522,800	\$1,283,400	\$1,456,200	\$1,344,600	\$1,285,200
Salaries and wages	46.9%	47.0%	50.3%	47.2%	44.4%	46.9%
Payroll taxes and employee taxes	10.4%	11.0%	11.2%	10.5%	9.7%	9.9%
Course supplies, fertilizers, chemicals, etc.	22.7%	21.5%	23.0%	21.4%	24.3%	22.9%
Repairs to equipment, course buildings, water drainage system, etc.	7.4%	7.3%	6.6%	7.5%	7.1%	8.5%
All other expenses (including utilities and leases)	12.6%	13.2%	8.9%	13.4%	14.5%	11.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%





## Golf Course Maintenance Costs – Multiple Courses

Region/Type	Florida Statewide	Southeast w/o Boca	Boca Area	Southwest w/o CIRAs	Southwest CIRAs	North & Central
<b>Cost per hole:</b>						
Salaries and wages	\$35,800	\$34,000	\$36,800	\$35,400	\$34,000	\$36,600
Payroll taxes and employee taxes	7,900	7,900	7,300	7,700	9,100	8,700
Course supplies, fertilizers, chemicals, etc.	17,900	17,000	17,800	19,400	21,600	16,300
Repairs to equipment, course buildings, water drainage system, etc.	5,300	4,700	5,500	6,600	3,000	4,600
All other expenses (including utilities)	9,100	10,500	8,400	7,300	10,900	10,200
	<b>\$76,000</b>	<b>\$74,100</b>	<b>\$75,800</b>	<b>\$76,400</b>	<b>\$78,600</b>	<b>\$76,400</b>
Salaries and wages	47.1%	45.9%	48.5%	46.3%	43.3%	47.9%
Payroll taxes and employee taxes	10.4%	10.7%	9.7%	10.0%	11.6%	11.3%
Course supplies, fertilizers, chemicals, etc.	23.5%	22.9%	23.5%	25.4%	27.5%	21.3%
Repairs to equipment, course buildings, water drainage system, etc.	7.0%	6.4%	7.3%	8.7%	3.9%	6.0%
All other expenses (including utilities)	12.0%	14.1%	11.0%	9.6%	13.7%	13.5%
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



# Power comes from being understood.<sup>SM</sup>

When you trust the advice you're getting, you know your next move is the right move. This is the power of being understood. This is McGladrey.

Experience the power. Go to [mcgladrey.com/privateclubs](http://mcgladrey.com/privateclubs). Join our group, McGladrey Club World, on LinkedIn.

Toll Free: 800.966.0428

McGladrey is the brand under which RSM McGladrey, Inc. and McGladrey & Pullen, LLP serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. McGladrey & Pullen is a licensed CPA firm providing assurance services. RSM McGladrey provides tax and consulting services.

RSM McGladrey, Inc. and McGladrey & Pullen, LLP are members of the RSM International ("RSMi") network of independent accounting, tax and consulting firms. The member firms of RSMi collaborate to provide services to global clients, but are separate and distinct legal entities which cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party.



©2011 McGladrey & Pullen, LLP and RSM McGladrey, Inc. All Rights Reserved.