

A scenic landscape featuring a river, forest, and mountains. In the foreground, a bright orange tent is pitched on a grassy bank. The river flows through the center, surrounded by lush green trees. In the background, there are rolling green hills and mountains under a clear blue sky. The overall scene is bright and sunny, with a warm, golden light filtering through the trees.

# FINANCIAL GUIDEBOOK FOR CAMPGROUNDS & RV PARKS

By: Camp and Park Accounting, LLC





## GREETINGS CAMPGROUND AND RV PARK OWNERS!

Thank you for taking the time to read this guide. We are excited that you want to better understand the finances of your Campground or RV Park and are interested in implementing some practical steps to do so!

The financial information in this guide is compiled from over 1,100 sets of financial data from Campgrounds and RV Parks just like yours. This amount of data gives us great insight and information about what the financial statements of the average Campground and RV Park really look like. Of course, our goal for you is that your business wouldn't be just average but would grow to be far ABOVE average. We hope that the information in this guide inspires you to evaluate your Campground or RV Park's finances and identify ways that you can create a more profitable business!

Our goal at Camp and Park Accounting is to take away the complexity and frustration that often comes with business finances. We want you to have peace of mind about your finances so that you're able to spend your time working on the parts of your business that you really love. We hope that this guide is a small step in helping you to start accomplishing your financial goals.

As always, if there is anything that we can do to help you better understand or improve the financial situation of your Campground or RV Park, please do not hesitate to connect with us. We would be happy to provide you with a no-cost, hassle free consultation about how we can help with your accounting, tax, and financial systems.

So let's get started and dive into your finances!

# How to Use this Guidebook

This guide is broken down into 5 sections. Each of the 5 sections asks you to take a slightly different look at the finances of your Campground or RV Park. Walk through each section and really take time to think through how the information in each section could be useful to you as you try to improve the financial stability of your business.

Section 1: This section asks you to compare your profit and loss statement with that of over 1,100 sets of financial statements from Campgrounds and RV Parks just like yours. We want you to compare your data with that of your peers to see whether or not you are on track.

Section 2: Here we take a look at the liquidity of your business and think through some ways that you could improve your cash flow. If you feel like there is never any money in the bank, this section is for you!

Section 3: Profitability rules the day in this section. It's something that every Campground and RV Park owner thinks about - Am I making any money? We have a bad habit of doing everything we can to ensure that every site is filled each night, but we never take the time to think about whether or not, at the end of the day, the business is generating profit from that revenue. We will think through some practical ways to start improving your profitability.

Section 4: Sales, Sales, Sales. That is what we have been taught from day one in our businesses. You can't succeed without sales. In this section we think through some super practical steps that every Campground and RV Park owner should take to begin improving their sales.

Section 5: In this final section we ask you a series of 5 questions to get you to start thinking deeply about your finances and whether or not you are comfortable with the financial situation at your Campground or RV Park.

# 1

## Income Statement

In this section is a high-level overview of the profit and loss statement for the average Campground and RV Park.

In order to complete this section of the guide you will need a copy of your most recently year-ended profit and loss statement. You will then use that statement to compare your activity to that of the average Campground and RV Park. Assume that your total gross revenue is equal to 100%. You can then see what % of revenue is spent on each expense category based on the average Campground and RV Park.

Compare each major expense category on your profit and loss statement with those in the guide. See where you may be overspending and compare the level of profit you see in your business against the average Campground and RV Park. This should give you an idea if your finances are on track or not.

So, for example, the average Campground and RV Park has EBITDA (Earnings before Interest Taxes Depreciation and Amortization) of 21.36%. If your businesses revenue was \$100,000 you should, on average, have an EBITDA of \$21,360.

You will also find the average percentage's of several important expenses that are typically buried inside of Overhead – these include Payroll, Rent and Advertising.

## INCOME STATEMENT

Sales (Income)	100.00%
Cost of Sales (COGS)	7.48%
Gross Profit	92.52%
Depreciation	9.95%
Overhead or S,G,& A Expenses*	50.20%
Other Operating Income	0.02%
Other Operating Expenses	20.98%
Operating Profit	11.39%
Interest Expense	7.67%
Other Income	0.10%
Other Expenses	0.09%
Net Profit Before Taxes	3.74%
Adjusted Owner's Compensation	0.00%
Adjusted Net Profit Before Taxes	3.74%
EBITDA	21.36%
Taxes Paid	1.75%
Net Income	1.99%

\*Partial Breakout (Payroll...19.52% Rent...12.86% Advertising...1.90%)



# 2

## Liquidity

*"What are some potential ways to improve the company's ability to meet obligations as they come due?"*

This second section provides a number of suggestions for your Campground or RV Park to help you improve your liquidity. We will talk about some ways to help you improve your business' ability to meet all of its financial obligations as they come due.

If you are running your campground and always seem to be booked up but yet there is no money in the bank account, this section is for you. Not all of these suggestion will work for you so pick one or two that will and see if they help improve your cash flow.



# SUGGESTIONS TO IMPROVE YOUR LIQUIDITY

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- Avoid pre-paying expenses or Accounts Payable. The reason is to keep funds inside the business (potentially earning interest) for as long as possible. It is generally not a good idea to pay bills earlier than the terms agreed upon.
- Increase prices selectively where possible. Done effectively, this can boost cash flow and liquidity.
- Eliminate or reduce some overhead or fixed costs to reduce monthly expenses. Small decreases in overhead will typically yield large cash savings over time.
- Prepare yearly forecasts that show cash flow levels at various points in time. Consider updating these forecasts on a monthly or even bi-weekly basis. This can help predict/prepare for potential cash shortfalls that may occur in the future.
- Provide discounts to customers who make reservations and pay early in order to speed up collections.
- Try to establish a sufficient line of credit from the bank. There are methods to determine the amount of short-term credit needed to run the business. Talking with the bank can be helpful in this area.
- Finance over the long term rather than the short term when financing is possible and necessary. This can help reduce per period cash outflows.
- Accept multiple forms of payment, such as credit and debit cards, to help cut down on the number of denied payments (bad checks).
- Monitor the impact tax payments may have on cash. Keep enough money aside to be able to meet future tax obligations based on earnings.
- Monitor the amount of money that is being used for activities unrelated to the business. An example could be money taken out of the business on draws to owners.



# 3

## Profits & Profit Margin

*"What are some things the company might do to develop favorable profitability trends?"*

This third section is all about improving the profit margin of your Campground and RV Park.....who doesn't like more profit, right? It can be frustrating to run a business with a bunch of revenue but at the end of the day no profit - as a business owner your time is too valuable to be working for free!

This section will provide you with some ideas to develop a more favorable profitability trend.





# SUGGESTIONS TO IMPROVE YOUR PROFIT

- Utilize family members as a way to keep costs down. They can normally be paid less than regular employees and terms of payment are typically negotiable.
- Obtain an annual business check-up. Meet with an accountant or banker to review financial statements and get advice on how to improve performance.
- Generate accurate financial reports on a timely basis -- within 40 days of the end of the financial period. This will help ensure the usefulness of the data for examination purposes. Good financial reports are the backbone of management decisions.
- Monitor the costs going into all office supplies. With more important costs being monitored closely, many businesses forget to look at this smaller cost, and often allow it to be higher than necessary.
- Enroll the business in the right insurance program at a good cost. Evaluate alternative insurance carriers that may be able to serve the business at a cheaper cost. Meet with insurance agents to determine ways to reduce costs by evaluating coverage and deductibles.
- Create good monthly budgets with cost reduction goals, broken down by account, that are put right into an accounting system (chart of accounts). This should allow management the ability to pull "variance reports". These reports compare budgeted revenues and expenses with actual revenues and expenses and can help managers keep costs down.
- Obtain internal reports that identify the business's key performance indicators (KPIs). KPIs help managers make good decisions by identifying the figures that are critical to performance. Net profit is not a KPI -- profits are a result of managing KPIs well.

# 4

## Revenue & Sales

*"What are some things the company can consider to encourage sales growth?"*

This fourth section gives some suggestions on increasing your revenue. Every business needs revenue to grow because as we all know, expenses are constantly going up, and unless you want to make less money each year, your revenue will need to continue to increase as well.

Profit is the life-blood of a business, but revenue growth is the heart that keeps the whole thing running.





# SUGGESTIONS TO IMPROVE YOUR REVENUE

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- Provide additional services to accompany the existing offerings without increasing costs too much. This can help attract more customers who may be willing to pay higher prices.
- Consider installing customer suggestion boxes in the business location. The first step in increasing sales is better meeting customer needs. To achieve this, businesses need to be proactive and aggressive in gathering information and suggestions from customers. Suggestion boxes (if suggestions from the boxes are read carefully by managers) are an extremely effective way to get "grass roots" feedback.
- Provide an attractive environment. This includes maintaining a clean environment and respectable staff. Offering customers consistently pleasing experiences is often an effective way of securing future visits.
- Keep open communication with customers to help ensure quality customer service. Many customers will return to a business that takes the time to answer questions promptly and knowledgeably.
- Compare the business to others in the industry and work to meet and exceed industry standards. This can help improve the business's competitive position and maintain customers who might be seeking an alternative provider.
- Evaluate "signage" at the business. Signage (the signs used for a business) can send positive or negative signals to potential and existing customers. Colors, names, and "tag lines" should be selected with care. Most sign companies can provide insight into how to optimize signage at the business.
- Create a reputation as a quality provider in order to help generate referrals from customers. Word of mouth is often a free form of advertising for the business.
- Offer promotions that can attract customers to the business. Attracting customers to the business via promotions provides the opportunity to showcase the other offerings of the business, and potentially lead to repeat business as well.

# 5

## Questions to Consider

Finally, this fifth and final section of this guide gives you a number of questions for you to begin considering as you take a deeper look at the finances of your Campground or RV Park.

We hope that these questions will spur you on in your desire to better understand and control your financial situation.





# ASK YOURSELF....

1. Are my books and records in good working order? Am I tracking the finances of my Campground or RV Park in such a way that I feel in control? Or do the finances overwhelm me so much that I just don't care or pay close attention to them?
2. Do I understand what the various financial metrics of Campgrounds and RV Parks are? Do I know how to compare them to my business so that I know how my business is doing financially?
3. How comfortable am I with the rate of revenue growth in my business? Are my expenses growing quicker than my revenue, which will lead to eventual disaster in my business?
4. Am I maximizing every tax strategy possible in order to minimize our income tax obligations? Are we doing enough tax planning to ensure we are taking advantage of every opportunity to reduce our income taxes?
5. Do we have a sustainability and succession plan for our Campground or RV Park? Are our finances stable enough that someone would want to take over this business for us when we are gone?



# CONGRATULATIONS - YOU DID IT!

You made it through this entire workbook! We hope you were inspired and excited to work on your business finances.

You may be feeling a bit overwhelmed with all this information and be asking yourself where and how do I start applying this information. Take a deep breathe and just pick one thing to try. Remember change doesn't happen overnight - it takes time to implement. Don't give up....you can do it!

But please don't stop with just one thing. Once you have conquered one area to change, pick another and implement it. Keep on going!

Remember it's important to spend time working ON your business and not just IN your business.

You've got this!

(If you want to talk to someone about any of the information in this guide please reach out to [michael@campandparkaccounting.com](mailto:michael@campandparkaccounting.com) - Michael would be happy to help you!)





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