

**The Glendale Lyceum  
Balance Sheet  
As of December 31, 2005**

**TREASURER'S REPORT**

2005 was a little more challenging financially for the Lyceum than the previous few years. Our operating expenses have continued to climb, while our membership rolls have not. However, increased rental income helped offset some shortfalls in other areas. Also, increased dividends from our P&G stock and better than projected initiation fees helped us continue to fund maintenance projects and meet our increasing costs. As you are aware, your board voted to increase dues, effective this month. The average overall increase was 5.7%. This was the first increase since early 2003. You may not be aware, but your board also voted to increase non-member weekend rental fees for 2006. We have been successful renting out most Saturday nights the past few years so your board surveyed the market and determined that a 15% increase to \$4,500 made sense.

Operating income was down a little from last year. A decline in membership dues was partially offset by increased rental income. At \$150,000, membership dues make up almost 50% of our operating income. Rental income totaled \$114,000, which is a now over a third of our operating income. The balance of our income comes from sports, entertainment and other activities. Net rental income, after direct and allocated expenses totaled \$53,000. This income subsidizes our operations and allows us to keep dues at a reasonable level. Our operating expenses, particularly utilities and general maintenance have climbed significantly. Your board has taken an active position with respect to addressing facilities upkeep and maintenance. Some items like the paddle tennis refurbishing can be easily seen, but other items like fixing/replacing faulty (and potentially dangerous) wiring can not.

Initiation fees of \$14,000, dividends of over \$45,000, and the sale of \$50,000 of stock, covered our \$33,000 loan payment, \$10,000 of interest payments, our acoustical work in the ballroom, and other capital projects. Your board has approved plans to fix the northeast corner of the main building and repave the driveway. These are major projects that we feel must be done to insure the ongoing viability of our facilities. P&G stock increased about 5% last year, so even after the sale of stock, our investment portfolio increased by about \$60,000. We finished the year with about \$60,000 in cash, much of which is earmarked for the aforementioned projects.

I'd like to conclude by acknowledging the tremendous effort that Jane has put forth learning our accounting system and taking on an active role in the financial management of the Lyceum. She assumed much of the role that our external accountant previously handled, and with oversight from the accounting firm of Clark, Schaefer and Hackett, she now manages the books and produces our monthly statements.  
Respectfully submitted—Mike Burnham

Dec 31, 05

<b>ASSETS</b>	
Current Assets	
Checking/Savings	59,986.04
Cash	
Total Checking/Savings	59,986.04
Accounts Receivable	17,366.09
Accounts Receivable	17,366.09
Total Accounts Receivable	17,366.09
Total Current Assets	77,352.13
Fixed Assets	
Property Plant & Equipment	793,334.50
Total Fixed Assets	793,334.50
Other Assets	
Investment - Stock	2,404,854.08
Total Other Assets	2,404,854.08
<b>TOTAL ASSETS</b>	<b>3,275,540.71</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	512.10
*Sales Tax Payable	934.95
Sales Tax Payable	
Total Other Current Liabilities	1,447.05
Total Current Liabilities	1,447.05
Long Term Liabilities	
Loan Payable - Long Term Portio	297,731.96
Total Long Term Liabilities	297,731.96
Total Liabilities	299,179.01
Equity	
Member's Investment	979,103.20
Retained Earnings	-168,940.03
Unrealized Gain on Stock	2,169,142.59
Net Income	-2,944.06
Total Equity	2,976,361.70
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,275,540.71</b>