

Overview

For the month ended December 31, 2011, revenues were \$11.0 vs. budget of \$8.8 and prior year of \$22.8. Net loss was \$(21.6) compared to budget loss of \$(21.0), and a loss of \$(48.0) in 2010. For the year-to-date, revenues were \$729.4, which was \$48.3 favorable to budget and \$0.4 unfavorable to last year. Year-to-date net income was \$137.7 compared to budget of \$26.9 and \$1.2 last year. The 2010 year-to-date period include the ILYA Championship regatta which was held at LGYC, and as such, the 2011 and 2010 periods are not comparable. In addition, 2010 included a \$31.8 write-off of architectural drawings. Year-to-date, expenses were \$63.2 favorable to the budget primarily due to lower expenses in the F&B operation, pier repair expense, clubhouse maintenance and compensation expense.

Our cash position was \$279.0, up \$148.0 compared to December 31, 2010. The increase is partially due to the lower expense levels to date and the 2011 dues increase.

We had 12 trial members under the trial membership program initiated during June. Conversion of the trial members to regular or associate members in 2012 will determine the real success of the program. So far, six of the trial members have indicated that they will convert their trial membership to another membership type in 2012. Excluding trial members, we have 238 members at the end of December, down one from last month. As compared to budget, we are down two from budget, but down nine from December 31, 2010.

Revenue

Dues and Initiation Fees

For the year-to-date, dues were \$299.9 compared to budget of \$292.9 and \$260.6 last year. The increase over last year reflects the effect of the 2011 dues increase, partially offset by the lower number of members. Year-to-date initiation fees were \$1.0 compared to budget of \$5.0 due to the lower than planned new regular members.

Boat Storage

For the year-to-date, storage revenue was \$123.8, which was essentially on budget and last year. Winter storage of \$5.8 was billed in December which was at budget.

Regatta

Year-to-date regatta revenue was \$46.6 as compared to budget of \$23.5. The variance to budget was due to the cancellation of the M17 regatta (\$3.5) and poor weather conditions for the E Spring regatta, offset by the GLSS Dinghyfest event, which was originally included in the F&B budget, and the success of this year's Melges24 event.

Food & Beverage

For the year-to-date, F&B revenue was \$201.6, compared to budget of \$183.4. The 2010 ILYA regatta held at LGYC skews the comparisons with F&B from the actual regatta being included in regatta revenue.

Expenses

Food & Beverage

F&B expense for the month was \$4.7 as compared to budget of \$0.2 and \$3.5 in the prior year. The December 2011 expense includes the chef salary (\$2.0), which is being paid over 12 months, and bonus adjustments (\$1.4). For the year-to-date, expenses were \$167.0 as compared to budget of \$183.0 and \$190.5 last year. The lower expenses for the year-to-date reflect improved control over expenses. Year-to-date gross profit was \$34.6 as compared to budget of \$0.4 and a loss of (\$11.3) last year.

Regatta

Year-to-date expenses were \$30.7 as compared to the budget of \$18.5. The Melges24 regatta was much larger than prior years and had more entries, resulting in the higher expense level. The smaller than expected E Spring regatta, the cancellation of the M17 regatta, partially offset by expenses related to the 2011 Dinghyfest, all contributed to the variance to budget. Year-to-date regatta gross profit was \$15.9 as compared to budget of \$5.0.

General Expenses

General expenses were \$2.8 for the month as compared to budget of \$3.6. For the year-to-date, general expenses were \$48.9 as compared to budget of \$56.5 and \$56.2 last year. The variance from budget is primarily due to lower entertainment and membership development expense.

Race Operations

For the year-to-date, race operations expenses were \$50.4 as compared to budget of \$48.6. We incurred higher fuel costs as a result of increased racing activity on Thursday's and higher than budgeted expenses for boat 2 (whaler). Wages were slightly favorable to budget.

Professional Fees

Professional fees were \$4.1 for the year-to-date, compared to budget of \$12.5 and \$4.3 last year. We incurred only website fees and tax return preparation fees to date. We did not incur any expenses for legal services during this year.

Maintenance

For the year-to date, expenses were \$63.2 as compared to budget of \$85.9. For the year-to-date, clubhouse maintenance was \$11.7 favorable to budget, pier expenses \$5.5 favorable and contract cleaning \$7.3 favorable. Grounds maintenance was \$3.9 over budget for the year-to-date with the numerous small projects that were been undertaken.

Salary, Wages & Benefits

For the year-to-date, actual was \$51.8 vs. budget of \$73.6. Approximately \$16.4 of the year-to-date variance was due to savings from not having a club manager rehired until March 15, 2010 and to a lesser extent the actual rate being below the budgeted amount.

Balance Sheet

Our cash position was \$279.0, an increase of \$148.0 as compared to December 31, 2010. Accounts receivable were \$11.5, down \$9.1 from December 31, 2010. Net inventories were \$14.7 as compared to \$16.1 at December 31, 2010.

Current liabilities were \$42.3 at December 31, 2011, compared to \$28.5 at December 31, 2010. The increase is primarily due to the accrual of the manager F&B bonus.