

W.C. and A.N. Miller Development Company  
**Balance Sheet**  
for the period ending August 31, 2013

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 5,910,673.47	\$ 5,836,735.25
Investments	2,500,000.00	2,500,000.00
Unrealized Investments Gain/Lo	164,230.77	174,384.66
Accounts Receivable	267,990.07	172,453.53
Straightline Rent	3,512,731.89	3,512,731.89
Miscellaneous Receivables	27,209.71	32,273.11
Provision for Loss	0.00	0.00
Other Receivables	931,893.76	934,147.03
Inventory	37,318.04	37,318.04
Prepaid Expenses	152,042.63	159,571.44
<b>Total Current Assets</b>	<b>13,504,090.34</b>	<b>13,359,614.95</b>

**Fixed Assets**

Land	6,310,994.50	6,310,994.50
HLP, II Land	538,905.48	538,905.48
Buildings	49,848,437.91	49,838,168.62
Property and Equipment	74,838.71	74,838.71
Capital Improvements - Opt	1,876.00	1,876.00
Building on 49th Street	34,978.61	34,978.61
Improvements	13,063,170.39	13,050,308.23
Less: Accumulated Depreciation	22,210,867.90	22,059,999.93
<b>Net Fixed Assets</b>	<b>47,662,333.70</b>	<b>47,790,070.22</b>

**Other Assets**

Deferred Leasing Commissions,	1,421,402.02	1,383,501.75
Deferred Finance Charges, net	1,133,018.32	1,139,966.37
Deposit	17,630.05	17,630.05
Deferred Taxes	7,573,883.00	7,573,883.00
Deposit on Refinance	0.00	0.00
Real Estate Tax Escrow	444,445.90	384,554.87
<b>Total Other Assets</b>	<b>10,590,379.29</b>	<b>10,499,536.04</b>

**TOTAL ASSETS**

<b>\$ 71,756,803.33</b>	<b>\$ 71,649,221.21</b>
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## LIABILITIES AND STOCKHOLDERS' DEFICIT

### Current Liabilities

Accounts Payable	\$ 16,338.10	\$ 10,580.29
Accrued Income Taxes	0.00	0.00
Accrued Expenses	1,465,822.54	1,561,553.87
Security Deposits	465,751.17	460,224.92
Prepaid RE Income	91,919.67	80,091.16
Prepaid Rent Income	637,010.10	573,899.89

### Total Current Liabilities

	2,676,841.58	2,686,350.13
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### Long-Term Liabilities

Notes Payable (1)	97,140,567.40	97,293,275.71
Guaranty Reserve	0.00	0.00

### Total Long-Term Liabilities

	97,140,567.40	97,293,275.71
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### Total Liabilities

	99,817,408.98	99,979,625.84
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### Minority Interest (2)

	(6,546,616.47)	(6,546,616.47)
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### Total Minority Interest

	(6,546,616.47)	(6,546,616.47)
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### Stockholders' Deficit

Common Stock	800,200.00	800,200.00
Dividend	(6,350,000.00)	(6,350,000.00)
Retained Earnings (Deficit)	(15,964,189.18)	(16,233,988.16)

### Total Stockholders' Deficit

	(21,513,989.18)	(21,783,788.16)
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### TOTAL LIABILITIES & STOCKHOLDERS' DEFICIT

	\$ 71,756,803.33	\$ 71,649,221.21
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1. Notes Payable of 8,250,229.96 is offset by a Notes Receivable of 825,023 which is the cash of the 8,250,229.96 from Haymount Limited Partnership to W.C. and A.N. Miller Development Company.

2. W.C. and A.N. Miller Development Company owns 85% of Haymount Limited Partnership.

W.C. and A.N. Miller Development Company  
**Long Term Debt**  
for the period ending August 31, 2013

	Current Month	Budget	Prior Month
Promissory Notes	\$ 4,431,229.83	\$ 0.00	4,470,054.69
Key Bank Loan	17,018,330.25	17,018,330.25	17,041,037.26
N/P - TIAA Loan	21,354,321.47	21,354,321.47	21,377,365.83
N/P - Haymount Mezz	8,250,229.83	8,250,229.83	8,250,229.83
N/P - Cardinal Loan - SVR	16,475,218.30	14,249,919.49	16,499,565.79
N/P - Guardian Loan	29,611,237.72	29,567,304.00	29,655,022.31
Total Long Term Debt	<u>\$ 97,140,567.40</u>	<u>\$ 90,440,105.04</u>	<u>97,293,275.71</u>

Notes Repayment Schedule:

1. **Promissory Notes** - interest rate of 3%; due 12/31/2032
2. **Key Bank Loan** - Sumner Highlands; interest rate of 6.47%; due 6/30/2021; No prepayment until 7/1/2011; prepayment penalty afterwards is greater of 1% or present value of principal and interest outstanding discounted at the rate at which, when compounded monthly is equivalent to the Prepayment Treasury Rate compounded semi-annually, less the outstanding principal balance as of the date of prepayment.
3. **TIAA** - Spring Valley Office; interest rate of 7%; due 10/1/2018; no prepayment until 9/30/2013; prepayment penalty afterwards is greater of 1% or present value of principal and interest outstanding discounted at the rate at which, when compounded monthly is equivalent to the Prepayment Treasury Rate compounded semi-annually, less the outstanding principal balance as of the date of prepayment.
4. **Cardinal Bank** - Spring Valley Retail; interest rate of 4.35%; due 3/14/2023; Prepayment of 3% for years 1 & 2; 2% for years 3 & 4; and 1% for years 5, 6, 8, and 9. No prepayment penalty in years 7 or 10.
5. **Guardian Loan**: Shops @Sumner Place; Interest rate of 4.08%; due 10/31/22; no prepayment until 10/31/2017; prepayment penalty afterwards is greater of 1% or present value of principal and interest outstanding discounted at the rate at which, when compounded monthly is equivalent to the Prepayment Treasury Rate compounded semi-annually, less the outstanding principal balance as of the date of prepayment.

W.C. and A.N. Miller Development Company

**Income Statement**

for the period ending August 31, 2013

	August 2013 Actual	August 2013 Budget	August 2013 Variance	August 2012 Prior Year	Year to Date Actual	Year to Date Budget	Year to Date Variance	Year to Date Prior Year
<b>Rental Activities</b>								
Rent Income	\$ 1,385,481.34	1,362,176.00	23,305.34	1,310,934.59	14,316,655.93	14,902,883.00	(586,227.07)	13,318,732.16
Rent Expenses	(355,449.03)	(348,445.00)	(7,004.03)	(354,877.62)	(3,824,220.13)	(4,088,856.00)	264,635.87	(3,778,218.81)
Real Estate Taxes	(114,668.97)	(114,880.00)	211.03	(111,578.38)	(1,250,259.23)	(1,249,550.00)	(709.23)	(1,211,598.01)
Depreciation	(176,011.75)	(163,335.00)	(12,676.75)	(163,614.70)	(1,936,129.22)	(1,796,685.00)	(139,444.22)	(1,799,761.56)
Debt Service-Interest	(380,617.63)	(378,604.00)	(2,013.63)	(417,151.13)	(4,202,239.73)	(4,177,623.00)	(24,616.73)	(4,610,715.66)
<b>Net Rental Income</b>	<b>358,733.96</b>	<b>356,912.00</b>	<b>1,821.96</b>	<b>263,712.76</b>	<b>3,103,807.62</b>	<b>3,590,169.00</b>	<b>(486,361.38)</b>	<b>1,918,438.12</b>
<b>Gross Profit</b>	<b>358,733.96</b>	<b>356,912.00</b>	<b>1,821.96</b>	<b>263,712.76</b>	<b>3,103,807.62</b>	<b>3,590,169.00</b>	<b>(486,361.38)</b>	<b>1,918,438.12</b>
<b>Operating Expenses</b>								
Bank Charges	157.00	25.00	132.00	0.00	1,315.07	275.00	1,040.07	101.77
Schwab - ABP Fee	(131.39)	0.00	(131.39)	0.00	330.41	0.00	330.41	0.00
Schwab - Mgt Fee	137.74	0.00	137.74	0.00	4,286.13	0.00	4,286.13	0.00
Computer Supplies	0.00	0.00	0.00	234.90	5,666.97	0.00	5,666.97	2,213.66
Computer Consultant	800.00	800.00	0.00	1,481.25	14,139.29	8,800.00	5,339.29	13,725.00
Office Administration	8,500.00	8,500.00	0.00	7,000.00	103,500.00	93,500.00	10,000.00	87,000.00
Dues and Subscriptions	0.00	0.00	0.00	1,995.00	0.00	0.00	0.00	2,104.00
Equipment Rental	475.10	600.00	(124.90)	548.20	4,165.10	6,600.00	(2,434.90)	6,281.05
General Insurance	0.00	0.00	0.00	0.00	27,780.00	25,000.00	2,780.00	23,445.00
Legal - General	0.00	5,000.00	(5,000.00)	(6,145.95)	41,047.78	55,000.00	(13,952.22)	57,739.91
Legal - Loans/lenders	0.00	0.00	0.00	13,622.00	24,099.43	0.00	24,099.43	23,622.00
Legal - Commercial Leasing	0.00	0.00	0.00	0.00	7,065.00	0.00	7,065.00	0.00
Legal - Haymount	1,602.84	0.00	1,602.84	6,078.85	71,110.83	125,000.00	(53,889.17)	247,146.04
Benefits	1,870.88	2,833.33	(1,069.33)	1,506.00	20,464.81	31,166.67	(11,711.67)	17,648.75
Management Meals	130.16	300.00	(169.84)	847.82	5,505.98	4,200.00	1,305.98	5,817.89
Annual Shareholder Meeting	0.00	0.00	0.00	0.00	1,210.66	7,000.00	(5,789.34)	10,404.65
Office Supplies	198.32	500.00	(301.68)	(1,755.73)	11,230.88	5,500.00	5,730.88	13,160.17
Other Taxes and Licenses	0.00	0.00	0.00	560.62	2,816.41	3,620.00	(803.59)	119,867.95

Payroll Taxes	982.54	900.00	82.54	840.00	21,306.83	18,800.00	2,506.83	17,392.20
Postage	195.72	375.00	(179.28)	441.62	2,904.29	4,125.00	(1,220.71)	4,373.04
Public Relations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,017.68
Accounting	970.00	750.00	220.00	0.00	7,956.50	8,250.00	(293.50)	4,668.38
Review/Tax Returns/Fin St.	0.00	0.00	0.00	0.00	42,838.75	51,000.00	(8,161.25)	48,152.63
Internal Control Review	0.00	0.00	0.00	0.00	3,385.00	6,000.00	(2,615.00)	4,315.00
Promotion and Entertainment	0.00	0.00	0.00	0.00	39,569.12	0.00	39,569.12	2,443.80
Charitable Contribution	0.00	0.00	0.00	0.00	11,000.00	2,000.00	9,000.00	1,000.00
Rent	8,297.92	7,500.00	797.92	6,831.27	84,680.28	82,500.00	2,180.28	74,805.91
Repairs and Maintenance	0.00	0.00	0.00	3,800.00	0.00	0.00	0.00	3,800.00
Springvale Meadows Expenses	0.00	0.00	0.00	27,331.43	0.00	0.00	0.00	60,463.84
Executive Compensation	22,916.67	22,916.67	0.00	21,000.00	252,083.37	252,083.37	0.00	231,000.00
Executive Bonus	0.00	0.00	0.00	0.00	100,000.00	100,000.00	0.00	40,000.00
Telephone	619.62	425.00	194.62	434.80	6,747.89	4,675.00	2,072.89	4,348.57
Management Travel	2,005.54	3,000.00	(994.46)	807.11	24,311.78	33,000.00	(8,688.22)	22,832.38
Payroll Processing Fees	329.08	300.00	29.08	338.34	4,151.94	3,300.00	851.94	3,143.86
Board of Directors Fees	18,000.00	17,000.00	1,000.00	13,500.00	204,000.00	197,000.00	7,000.00	148,500.00
RE Tax Expense	0.00	0.00	0.00	0.00	5,599.44	5,600.00	(0.56)	5,443.90
Board Travel and Meals	0.00	0.00	0.00	819.79	33,905.16	40,000.00	(6,094.84)	36,876.67
<b>Total Operating Expenses</b>	<b>68,057.74</b>	<b>71,725.00</b>	<b>(3,667.26)</b>	<b>102,117.32</b>	<b>1,190,175.10</b>	<b>1,173,995.04</b>	<b>16,180.06</b>	<b>1,353,855.70</b>
<b>Net Operating Income</b>	<b>290,676.22</b>	<b>285,187.00</b>	<b>5,489.22</b>	<b>161,595.44</b>	<b>1,913,632.52</b>	<b>2,416,173.96</b>	<b>(502,541.44)</b>	<b>564,582.42</b>
<b>Other Income and Expenses</b>								
Miscellaneous Income	0.00	0.00	0.00	0.00	100.00	0.00	100.00	0.00
Interest Income	445.43	4,282.42	(3,836.99)	118.22	5,818.03	43,458.97	(37,640.94)	4,126.08
Debt Service (Interest) Other	(11,175.13)	0.00	(11,175.13)	0.00	(81,229.81)	(24,388.34)	(56,841.47)	0.00
Unrealized Investment Gain/Los	(10,147.54)	0.00	(10,147.54)	0.00	168,847.31	0.00	168,847.31	0.00
Pr Yr Adj - 2007 Pay Tax Liab	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(13,878.85)
<b>Total Other Income and Expenses</b>	<b>(20,877.24)</b>	<b>4,282.42</b>	<b>(25,159.66)</b>	<b>118.22</b>	<b>93,535.53</b>	<b>19,070.63</b>	<b>74,464.90</b>	<b>(9,752.77)</b>
<b>Net Income</b>	<b>\$ 269,798.98</b>	<b>289,469.42</b>	<b>(19,670.44)</b>	<b>161,713.66</b>	<b>2,007,168.05</b>	<b>2,435,244.59</b>	<b>(428,076.54)</b>	<b>554,829.65</b>

W.C. and A.N. MILLER COMPANIES  
STATEMENT OF CASH FLOW  
For the Month Ended August 31, 2013

	Current Month	Year to Date
Cash Flows for Operating Activities:		
Net Income	269,799	2,007,168
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Dividend	-	(6,350,000)
Depreciation and amortization	169,064	1,849,107
Unrealized Investment Gain/Loss	10,154	(164,231)
Loss on disposition of fixed assets	-	-
Income allocated to minority interest	-	(716)
Accounts receivable	(90,473)	111,333
Other receivables	2,253	37,226
Inventory	-	-
Deferred income taxes	-	-
Prepaid expenses	7,529	284,232
Current maturities of long term debt	-	-
Accounts payable	5,758	(86,474)
Accrued income taxes	-	-
Accrued expenses	(95,731)	298,437
Security deposits	5,526	72,067
Prior Tenant Clearing (SH)	-	3,050
Prepaid Real Estate Tax Income	11,829	11,829
Prepaid rent income	63,110	186,552
Total Adjustments	89,018	(3,747,589)
Net Cash Provided by (Used for) Operating Activities	358,817	(1,740,421)
Cash Flow for Investing Activities:		
Acquisition of fixed assets	(23,131)	(687,893)
Acquisition of deferred financing charges	6,948	(583,416)
Acquisition of deferred Leasing Commissions	(56,096)	(320,672)
Acquisition of real estate tax escrow	(59,891)	(328,666)
Acquisition of Investments	-	(2,500,000)
Development of 49th Street Lot	-	(34,979)
Acquisition of water escrow	-	-
Deposit on Refinance	-	-
Disposition of guaranty reserve	-	-
Disposition of deposit	-	600,000
Net Cash Used for Investing Activities	(132,170)	(3,855,626)
Cash Flow for Financing Activities:		
Disposition of long term debt	(152,708)	(27,157,900)
Acquisition of long term debt	-	37,229,937
Net Cash Used for Financing Activities	(152,708)	10,072,037
Net Increase (Decrease) in Cash and Cash Equivalents	73,938	4,475,991
Cash and cash equivalents, Beginning of Period	5,836,736	1,434,683
CASH AND CASH EQUIVALENTS, END OF YEAR	5,910,674	5,910,674

W.C. and A.N. Miller Development Company  
2012/2013 Cash Flow Statement  
**Summary**

	August 2013 Month Actual	August 2013 Month Budget	Variance	August 2012 Prior Year	Actual Year to Date	Budget Year to Date	Variance	Variance as a Percentage	Prior Year to Date
<b>Rental Activities</b>									
Rent Income	\$ 1,385,481.34	\$ 1,362,176.00	\$ 23,305.34	\$ 1,310,934.59	\$ 14,316,655.93	\$ 14,902,883.00	\$ (586,227.07)	-3.93%	\$ 12,007,797.57
Rent Expenses	\$ (355,449.03)	\$ (348,445.00)	\$ (7,004.03)	\$ (369,319.06)	\$ (3,824,220.13)	\$ (4,088,856.00)	\$ 264,635.87	-6.47%	\$ (3,423,341.19)
Real Estate Taxes	\$ (114,668.97)	\$ (114,880.00)	\$ 211.03	\$ (111,578.38)	\$ (1,250,259.23)	\$ (1,249,550.00)	\$ (709.23)	0.06%	\$ (1,100,019.63)
Amortization/Depreciation	\$ (176,011.75)	\$ (163,335.00)	\$ (12,676.75)	\$ (163,614.70)	\$ (1,936,129.22)	\$ (1,796,685.00)	\$ (139,444.22)	7.76%	\$ (1,636,146.86)
Debt Service - Interest	\$ (380,617.63)	\$ (378,604.00)	\$ (2,013.63)	\$ (417,151.13)	\$ (4,202,239.73)	\$ (4,177,623.00)	\$ (24,616.73)	0.59%	\$ (4,193,564.53)
<b>Net Rental Income</b>	\$ 358,733.96	\$ 356,912.00	\$ 1,821.96	\$ 249,271.32	\$ 3,103,807.62	\$ 3,590,169.00	\$ (486,361.38)	-13.55%	\$ 1,654,725.36
<b>Total Operating Expenses</b>	\$ 68,189.13	\$ 71,725.00	\$ (3,535.87)	\$ 74,785.89	\$ 1,190,306.49	\$ 1,173,995.04	\$ 16,311.45	1.39%	\$ 1,218,783.26
<b>Net Income</b>	\$ 269,798.98	\$ 289,218.27	\$ (19,419.29)	\$ 174,603.65	\$ 1,952,580.29	\$ 2,388,074.49	\$ (435,494.20)	-18.24%	\$ 439,949.96
<b>Total Adjustments to Reconcile to Cash</b>	\$ (43,152.45)	\$ 114,846.00	\$ (103,410.69)	\$ 110,440.02	\$ 1,301,372.47	\$ (135,892.80)	\$ 1,437,265.27	-1057.65%	\$ 98,832.11
<b>Net Cash provided from Operations</b>	\$ 226,646.53	\$ 404,064.27	\$ (177,417.74)	\$ 285,043.67	\$ 3,253,952.76	\$ 2,252,181.69	\$ 1,001,771.07	44.48%	\$ 538,782.07
<b>Increase or (Decrease) in Long Term Debt</b>	\$ (152,708.31)	\$ (147,125.65)	\$ (5,582.66)	\$ (111,637.29)	\$ 10,072,037.64	\$ 7,759,532.83	\$ 2,312,504.81	29.80%	\$ (1,096,324.40)
<b>Net Increase (Decrease) in Cash (FREE CASH FLOW)</b>	\$ 73,938.22	\$ 256,938.62	\$ (183,000.40)	\$ 173,406.38	\$ 13,325,990.40	\$ 10,011,714.52	\$ 3,314,275.88	33.10%	\$ (557,542.33)
<b>Shareholder Dividend</b>	\$ -	\$ -	\$ -	\$ -	\$ (6,350,000.00)	\$ (6,350,000.00)	\$ -	0.00%	\$ (200,000.00)
<b>Investments</b>	\$ -	\$ -	\$ -	\$ -	\$ (2,500,000.00)	\$ -	\$ (2,500,000.00)	100.00%	\$ -
<b>Cash Balance at Beginning of Period</b>	\$ 5,836,735.25	\$ 4,839,458.98	\$ 997,276.27	\$ 1,792,223.45	\$ 1,434,683.07	\$ 1,434,683.07	\$ -		\$ 2,563,644.63
<b>Increase (Decrease) in cash during period</b>	\$ 73,938.22	\$ 256,938.62	\$ (183,000.40)	\$ 173,406.38	\$ 4,475,990.40	\$ 3,661,714.52	\$ 814,275.88	22.24%	\$ (598,014.80)
<b>Cash at End of Period</b>	\$ 5,910,673.47	\$ 5,096,397.60	\$ 814,275.87	\$ 1,965,629.83	\$ 5,910,673.47	\$ 5,096,397.60	\$ 814,275.87	15.98%	\$ 1,965,629.83

W.C. and A.N. Miller Development Company  
2012/2013 Cash Flow Statement  
**Comparison**

	August 2013 Month Actual	August 2013 Month Budget	Variance	August 2012 Prior Year	Actual Year to Date	Budget Year to Date	Variance	Variance as a Percentage	Prior Year to Date
<b>Rental Activities</b>									
Rent Income	\$ 1,385,481.34	\$ 1,362,176.00	\$ 23,305.34	\$ 1,310,934.59	14,316,655.93	14,902,883.00	(586,227.07)	-3.93%	12,007,797.57
Rent Expenses	\$ (355,449.03)	\$ (348,445.00)	\$ (7,004.03)	\$ (369,319.06)	(3,824,220.13)	(4,088,856.00)	264,635.87	-6.47%	(3,423,341.19)
Real Estate Taxes	\$ (114,668.97)	\$ (114,880.00)	\$ 211.03	\$ (111,578.38)	(1,250,259.23)	(1,249,550.00)	(709.23)	0.06%	(1,100,019.63)
Amortization/Depreciation	\$ (176,011.75)	\$ (163,335.00)	\$ (12,676.75)	\$ (163,614.70)	(1,936,129.22)	(1,796,685.00)	(139,444.22)	7.76%	(1,636,146.86)
Debt Service - Interest	\$ (380,617.63)	\$ (378,604.00)	\$ (2,013.63)	\$ (417,151.13)	(4,202,239.73)	(4,177,623.00)	(24,616.73)	0.59%	(4,193,564.53)
<b>Net Rental Income</b>	<b>\$ 358,733.96</b>	<b>\$ 356,912.00</b>	<b>\$ 1,821.96</b>	<b>\$ 249,271.32</b>	<b>\$ 3,103,807.62</b>	<b>\$ 3,590,169.00</b>	<b>\$ (486,361.38)</b>	<b>-13.55%</b>	<b>\$ 1,654,725.36</b>
<b>Gross Profit</b>	<b>\$ 358,733.96</b>	<b>\$ 356,912.00</b>	<b>\$ 1,821.96</b>	<b>\$ 249,271.32</b>	<b>\$ 3,103,807.62</b>	<b>\$ 3,590,169.00</b>	<b>\$ (486,361.38)</b>	<b>-13.55%</b>	<b>\$ 1,654,725.36</b>
<b>Operating Expenses</b>									
Bank Charges	\$ 157.00	\$ 25.00	\$ 132.00	\$ -	1,315.07	275.00	1,040.07	378.21%	101.77
Schwab - ABPFee/Mgt Fee	\$ 6.35	\$ -	\$ 6.35	\$ -	4,616.54	-	4,616.54	100.00%	-
Computer Consultant	\$ 800.00	\$ 800.00	\$ -	\$ 1,481.25	14,139.29	8,800.00	5,339.29	60.67%	12,243.75
Computer Supplies	\$ -	\$ -	\$ -	\$ 234.90	5,666.97	-	5,666.97	100.00%	1,978.76
Executive Compensation	\$ 22,916.67	\$ 22,916.67	\$ -	\$ 21,000.00	252,083.37	252,083.37	0.00	0.00%	210,000.00
Executive Bonus	\$ -	\$ -	\$ -	\$ -	100,000.00	100,000.00	-	0.00%	40,000.00
Office Administration	\$ 8,500.00	\$ 8,500.00	\$ -	\$ 7,000.00	103,500.00	93,500.00	10,000.00	10.70%	80,000.00
Payroll Burden	\$ 982.54	\$ 900.00	\$ 82.54	\$ 840.00	21,306.83	18,800.00	2,506.83	13.33%	16,552.20
Equipment Rental	\$ 475.10	\$ 600.00	\$ (124.90)	\$ 548.20	4,165.10	6,600.00	(2,434.90)	-36.89%	5,732.85
General Insurance	\$ -	\$ -	\$ -	\$ -	27,780.00	25,000.00	2,780.00	11.12%	23,445.00
Legal - General	\$ -	\$ 5,000.00	\$ (5,000.00)	\$ (6,145.95)	41,047.78	55,000.00	(13,952.22)	-25.37%	63,885.86
Legal - Loans/Lenders	\$ -	\$ -	\$ -	\$ 13,622.00	24,099.43	-	24,099.43	100.00%	10,000.00
Legal - Commercial Leasing	\$ -	\$ -	\$ -	\$ 6,078.85	7,065.00	-	7,065.00	100.00%	-
Legal - Haymount	\$ 1,602.84	\$ -	\$ 1,602.84	\$ -	71,110.83	125,000.00	(53,889.17)	-43.11%	241,067.19
Benefits	\$ 1,870.88	\$ 2,833.33	\$ (962.45)	\$ 1,506.00	20,464.81	31,166.67	(10,701.86)	-34.34%	16,142.75
Management Meals	\$ 130.16	\$ 300.00	\$ (169.84)	\$ 847.82	5,505.98	4,200.00	1,305.98	31.09%	4,970.07
Offices Supplies	\$ 198.32	\$ 500.00	\$ (301.68)	\$ (1,755.73)	11,230.88	5,500.00	5,730.88	104.20%	14,915.90
Dues & Subscriptions	\$ -	\$ -	\$ -	\$ 1,995.00	-	-	-	0.00%	109.00
Other Taxes and Licenses	\$ -	\$ -	\$ -	\$ 560.62	2,816.41	3,620.00	(803.59)	-22.20%	119,307.33
Other Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	5,599.44	5,600.00	(0.56)	-0.01%	5,443.90
Postage	\$ -	\$ 375.00	\$ (375.00)	\$ 441.62	2,904.29	4,125.00	(1,220.71)	-29.59%	3,931.42
Public Relations	\$ 195.72	\$ -	\$ 195.72	\$ -	0.00	-	-	0.00%	10,017.68
Accounting	\$ 970.00	\$ 750.00	\$ 220.00	\$ -	7,956.50	8,250.00	(293.50)	-3.56%	4,668.38
Promotion & Entertainment	\$ -	\$ -	\$ -	\$ -	39,569.12	-	39,569.12	100.00%	2,443.80
Internal Control Audit/Review	\$ -	\$ -	\$ -	\$ -	3,385.00	6,000.00	(2,615.00)	-43.58%	4,315.00
Audit and Tax Returns	\$ -	\$ -	\$ -	\$ -	42,838.75	51,000.00	(8,161.25)	-16.00%	48,152.63
Rent	\$ 8,297.92	\$ 7,500.00	\$ 797.92	\$ 6,831.27	84,680.28	82,500.00	2,180.28	2.64%	67,974.64
Telephone	\$ 619.62	\$ 425.00	\$ 194.62	\$ 434.80	6,747.89	4,675.00	2,072.89	44.34%	4,091.06
Management Travel	\$ 2,005.54	\$ 3,000.00	\$ (994.46)	\$ 807.11	24,311.78	33,000.00	(8,688.22)	-26.33%	22,025.27
Payroll Processing Fees	\$ 329.08	\$ 300.00	\$ 29.08	\$ 338.34	4,151.94	3,300.00	851.94	25.82%	2,805.52
Board of Directors Fees	\$ 18,000.00	\$ 17,000.00	\$ 1,000.00	\$ 13,500.00	204,000.00	197,000.00	7,000.00	3.55%	135,000.00
Shareholders Annual Meeting	\$ -	\$ -	\$ -	\$ -	1,210.66	7,000.00	(5,789.34)	100.00%	10,404.65



Board Travel and Meals	\$ -	\$ -	\$ -	\$ 819.79		33,905.16	40,000.00	(6,094.84)	-15.24%	36,056.88
Repairs and Maintenance	\$ -	\$ -	\$ -	\$ 3,800.00	\$ -	\$ -	\$ -	\$ -	0.00%	-
Charitable Contributions	\$ -	\$ -	\$ -	\$ -	\$ 11,000.00	\$ 2,000.00	\$ 9,000.00	\$ 450.00%	1,000.00	
<b>Total Operating Expenses</b>	\$ 68,189.13	\$ 71,725.00	\$ (3,667.26)	\$ 74,785.89	\$ 1,190,175.10	\$ 1,173,995.04	\$ 16,180.06	1.38%	\$ 1,218,783.26	
<b>Net Operating Income</b>	\$ 290,544.83	\$ 285,187.00	\$ 5,489.22	\$ 174,485.43	\$ 1,913,632.52	\$ 2,416,173.96	\$ (502,541.44)	-20.80%	\$ 435,942.10	
<b>Other Income and Expenses</b>										
Miscellaneous Income										
Unamortized Loan Fee's										
Accrued Interest HLP LOC										
Deferred Tax Expense										
Gain/Loss Sale of Asset										
Pr Yr Adj - 2007 Pay Tax Liab										
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ -	\$ 100.00	100.00%	\$ -	
Debt Service Interest (Other)	\$ (11,175.13)	\$ -	\$ (11,175.13)	\$ -	\$ (81,229.81)	\$ (70,054.67)	\$ (11,175.14)	15.95%	\$ -	
Unrealized Investment Gain/Loss	\$ (10,147.54)	\$ -	\$ (10,147.54)	\$ -	\$ 168,847.31	\$ -	\$ 168,847.31	100.00%	\$ -	
Pr Yr Adj - 2007 Pay Tax Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
Interest Income	\$ 445.43	\$ 4,031.27	\$ (3,585.84)	\$ 118.22	\$ 5,818.03	\$ 41,955.20	\$ (36,137.17)	-86.13%	\$ 4,007.86	
<b>Total Other Income and Expenses</b>	\$ (20,877.24)	\$ 4,031.27	\$ (24,908.51)	\$ 118.22	\$ 93,535.53	\$ (28,099.47)	\$ 121,635.00	-432.87%	\$ 4,007.86	
<b>Net Income</b>	\$ 269,798.98	\$ 289,218.27	\$ (19,419.29)	\$ 174,603.65	\$ 2,007,168.05	\$ 2,388,074.49	\$ (380,906.44)	-15.95%	\$ 439,949.96	
<b>Adjustments to reconcile net income to net cash provided by Operations</b>										
Amortization/Depreciation	\$ 169,063.70	\$ 163,335.00	\$ 5,728.70	\$ 163,354.70	\$ 1,849,105.98	\$ 1,796,685.00	\$ 52,420.98	2.92%	\$ 1,630,946.86	
Accounts receivable	\$ (90,473.14)	\$ -	\$ (90,473.14)	\$ 47,638.69	\$ 111,330.79	\$ -	\$ 111,330.79	100.00%	\$ (23,327.93)	
Required Building Improvements	\$ (10,269.29)	\$ -	\$ (10,269.29)	\$ (32,173.52)	\$ (393,744.42)	\$ (445,069.00)	\$ 51,324.58	-11.53%	\$ (432,654.52)	
Optional Building Improvements	\$ -	\$ (44,876.00)	\$ 44,876.00	\$ -	\$ -	\$ (430,376.00)	\$ 430,376.00	0.00%	\$ -	
Tenant Improvements	\$ (12,862.16)	\$ (2,516.00)	\$ (10,346.16)	\$ (90,373.07)	\$ (294,148.86)	\$ (891,914.00)	\$ 597,765.14	-67.02%	\$ (464,830.40)	
Leasing Commission	\$ (56,096.00)	\$ (41,635.00)	\$ (14,461.00)	\$ (15,045.63)	\$ (320,671.91)	\$ (496,023.00)	\$ 175,351.09	-35.35%	\$ (478,060.52)	
Development of 49th Street Lot	\$ -	\$ -	\$ -	\$ -	\$ (34,978.61)	\$ -	\$ (34,978.61)	100.00%	\$ -	
Notes Receivable	\$ 2,253.27	\$ 2,238.00	\$ 15.27	\$ 3,728.66	\$ 37,226.43	\$ 37,064.00	\$ 162.43	0.44%	\$ (34,453.12)	
Real Estate Tax Escrows	\$ (59,891.03)	\$ (76,580.00)	\$ 16,688.97	\$ (104,575.90)	\$ (636,576.53)	\$ (621,865.00)	\$ (14,711.53)	2.37%	\$ (138,851.41)	
Escrow Fund Release	\$ -	\$ -	\$ -	\$ -	\$ 307,910.60	\$ -	\$ 307,910.60	0.00%	\$ -	
Accrued Real Estate Taxes	\$ 114,668.97	\$ 114,880.00	\$ (211.03)	\$ 111,578.38	\$ 865,946.38	\$ 1,249,550.00	\$ (383,603.62)	-30.70%	\$ 433,512.53	
Real-estate Tax Payments	\$ -	\$ -	\$ -	\$ -	\$ (412,679.00)	\$ (447,863.00)	\$ 35,184.00	0.00%	\$ (103,576.65)	
Accrued Expenses	\$ (210,400.30)	\$ -	\$ (210,400.30)	\$ (25,880.93)	\$ (153,304.55)	\$ -	\$ (153,304.55)	100.00%	\$ 112,744.97	
2007 Payroll tax payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ (383,493.41)	
Springvale Meadows Expense	\$ -	\$ -	\$ -	\$ (27,331.43)	\$ -	\$ -	\$ -	0.00%	\$ (32,557.91)	
Minority Interest	\$ -	\$ -	\$ -	\$ -	\$ (715.65)	\$ -	\$ (715.65)	100.00%	\$ (520.80)	
Prepaid Expenses	\$ 946.49	\$ -	\$ 946.49	\$ (13,841.81)	\$ (57,618.54)	\$ -	\$ (57,618.54)	100.00%	\$ 298,187.88	
Prepaid Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ 349,133.01	\$ -	\$ 349,133.01	100.00%	\$ -	
Prepaid Insurance	\$ 6,582.32	\$ -	\$ 6,582.32	\$ 6,478.88	\$ (7,282.24)	\$ -	\$ (7,282.24)	100.00%	\$ 6,480.69	
Accounts Payable	\$ 5,757.81	\$ -	\$ 5,757.81	\$ 650.54	\$ (86,475.15)	\$ -	\$ (86,475.15)	100.00%	\$ (16,480.26)	
Security Deposits	\$ 5,526.25	\$ -	\$ 5,526.25	\$ (4,050.00)	\$ 72,067.25	\$ -	\$ 72,067.25	100.00%	\$ 33,772.28	
Prepaid RE Tax Income	\$ 11,828.51	\$ -	\$ 11,828.51	\$ -	\$ 11,828.51	\$ -	\$ 11,828.51	0.00%	\$ 37,041.65	
Prepaid Rent Income	\$ 63,110.21	\$ -	\$ 63,110.21	\$ 90,282.46	\$ 186,552.90	\$ -	\$ 186,552.90	100.00%	\$ 254,952.18	
Deposit on Refinance of Shops at Sumner Place	\$ -	\$ -	\$ -	\$ -	\$ 600,000.00	\$ 600,000.00	\$ -	0.00%	\$ -	
Deferred Loan Charges	\$ 6,948.05	\$ -	\$ 6,948.05	\$ -	\$ (102,282.16)	\$ -	\$ (102,282.16)	100.00%	\$ (600,000.00)	

Deferred Tax Asset	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%	\$ -
Unrealized Investment Gain/Loss	\$10,153.89	\$ -	\$ 10,153.89	\$ -	\$ (164,230.77)	\$ -	\$ (164,230.77)	100.00%	\$ -
Prior Tenant Clearing	\$ -	\$ -	\$ -		\$ 1,525.00	\$ -	\$ 1,525.00	100.00%	\$ -
Closing Cost for Refinance	\$ -	\$ -	\$ -		\$ (481,133.75)	\$ (486,081.80)	\$ 4,948.05	-1.02%	\$ -
<b>Total Adjustments</b>	\$ (43,152.45)	\$ 114,846.00	\$ (157,998.45)	\$ 110,440.02	\$ 1,246,784.71	\$ (135,892.80)	\$ 1,382,677.51	-1017.48%	\$ 98,832.11
<b>Net Cash provided from Operations</b>	\$ 226,646.53	\$ 404,064.27	\$ (177,417.74)	\$ 285,043.67	\$ 3,253,952.76	\$ 2,252,181.69	\$ 1,001,771.07	44.48%	\$ 538,782.07
<b>Increase or (Decrease) in Long Term Debt</b>	\$ (152,708.31)	\$ (147,125.65)	\$ (5,582.66)	\$ (111,637.29)	\$ 10,072,037.64	\$ 7,759,532.83	\$ 2,312,504.81	29.80%	\$ (1,096,324.40)
<b>Net Increase (Decrease) in Cash (FREE CASH FLOW)</b>	\$ 73,938.22	\$ 256,938.62	\$ (183,000.40)	\$ 173,406.38	\$ 13,325,990.40	\$ 10,011,714.52	\$ 3,314,275.88	33.10%	\$ (557,542.33)
<b>Shareholder Distribution</b>	\$ -	\$ -	\$ -	\$ -	\$ (6,350,000.00)	\$ (6,350,000.00)	\$ -	0.00%	\$ (200,000.00)
<b>Investments</b>	\$ -	\$ -	\$ -	\$ -	\$ (2,500,000.00)	\$ -	\$ (2,500,000.00)	100.00%	\$ -
<b>Cash Balance at Beginning of Period</b>	\$ 5,836,735.25	\$ 4,839,458.98	\$ 997,276.27	\$ 1,792,223.45	\$ 1,434,683.07	\$ 1,434,683.07			\$ 2,563,644.63
<b>Increase (Decrease) in cash during period</b>	<u>\$ 73,938.22</u>	<u>\$ 256,938.62</u>	<u>\$ (183,000.40)</u>	<u>\$ 173,406.38</u>	<u>\$ 4,475,990.40</u>	<u>\$ 3,661,714.52</u>	<u>\$ 814,275.88</u>	<u>22.24%</u>	<u>\$ (598,014.80)</u>
<b>Cash at End of Period</b>	\$ 5,910,673.47	\$ 5,096,397.60	\$ 814,275.87	\$ 1,965,629.83	\$ 5,910,673.47	\$ 5,096,397.60	\$ 814,275.87	15.98%	\$ 1,965,629.83

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W.C. and A.N. Miller Development Company  
2012/2013  
**CONSOLIDATED CASH FLOW STATEMENT**  
**As of August 31, 2013**

	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Budget	Total Actual 2012/2013	Total Budget 2012/2013	Difference Budget v Actual	Total Actual 2011/2012	Variance
<b>Rental Activities</b>																	
Rent Income	\$ 1,255,393.67	\$ 1,269,064.92	\$ 1,250,494.02	\$ 1,237,676.64	\$ 1,268,626.87	\$ 1,444,819.50	\$ 1,256,599.09	\$ 1,298,220.72	\$ 1,346,697.96	\$ 1,303,581.20	\$ 1,385,481.34	\$ 1,507,802.00	\$ 15,824,457.93	\$ 16,410,685.00	\$ (586,227.07)	\$ 15,179,456.10	-3.57%
Rent Expenses	\$ (323,710.45)	\$ (364,166.44)	\$ (328,585.44)	\$ (382,796.45)	\$ (328,882.80)	\$ (400,255.46)	\$ (335,748.46)	\$ (342,635.30)	\$ (313,005.28)	\$ (348,985.02)	\$ (355,449.03)	\$ (318,021.00)	\$ (4,142,241.13)	\$ (4,406,877.00)	\$ 264,635.87	\$ (4,218,700.37)	6.01%
Real Estate Taxes	\$ (113,437.55)	\$ (113,437.56)	\$ (113,437.56)	\$ (113,437.55)	\$ (113,437.56)	\$ (113,426.54)	\$ (113,435.54)	\$ (113,435.70)	\$ (113,435.72)	\$ (114,668.98)	\$ (114,668.97)	\$ (114,880.00)	\$ (1,365,139.23)	\$ (1,364,430.00)	\$ (709.23)	\$ (1,297,062.36)	-0.05%
Amortization/Depreciation	\$ (176,011.72)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (163,335.00)	\$ (2,099,464.22)	\$ (1,960,020.00)	\$ (139,444.22)	\$ (2,033,472.71)	-7.11%
Debt Service - Interest	\$ (394,664.15)	\$ (380,788.31)	\$ (382,277.10)	\$ (381,802.94)	\$ (375,523.99)	\$ (383,100.47)	\$ (380,608.54)	\$ (382,112.69)	\$ (379,628.10)	\$ (381,115.81)	\$ (380,617.63)	\$ (378,119.00)	\$ (4,580,358.73)	\$ (4,555,742.00)	\$ (24,616.73)	\$ (5,025,335.30)	-0.54%
														\$ -			
<b>Net Rental Income</b>	\$ 247,569.80	\$ 234,660.86	\$ 250,182.17	\$ 183,627.95	\$ 274,770.77	\$ 372,025.28	\$ 250,794.80	\$ 284,025.28	\$ 364,617.11	\$ 282,799.64	\$ 358,733.96	\$ 533,447.00	\$ 3,637,254.62	\$ 4,123,616.00	\$ (486,361.38)	\$ 2,604,885.36	-11.79%
<b>Gross Profit</b>	\$ 247,569.80	\$ 234,660.86	\$ 250,182.17	\$ 183,627.95	\$ 274,770.77	\$ 372,025.28	\$ 250,794.80	\$ 284,025.28	\$ 364,617.11	\$ 282,799.64	\$ 358,733.96	\$ 533,447.00	\$ 3,637,254.62	\$ 4,123,616.00	\$ (486,361.38)	\$ 2,604,885.36	-11.79%
<b>Operating Expenses</b>																	
Bank Charges	\$ 24.19	\$ 12.84	\$ 112.36	\$ 61.09	\$ 150.05	\$ 154.42	\$ 155.98	\$ 157.84	\$ 161.20	\$ 168.10	\$ 157.00	\$ 25.00	\$ 1,340.07	\$ 300.00	\$ 1,040.07	\$ 120.48	346.69%
Schwab - ABPFee/Mgt Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,482.30	\$ 127.25	\$ 131.39	\$ 1,869.25	\$ 6.35	\$ -	\$ 4,616.54	\$ -	\$ 4,616.54	\$ -	100.00%
Computer Consultant	\$ 800.00	\$ 2,164.29	\$ 800.00	\$ 2,006.25	\$ 1,312.50	\$ 800.00	\$ 1,950.00	\$ 800.00	\$ 1,906.25	\$ 800.00	\$ 800.00	\$ 800.00	\$ 14,939.29	\$ 9,600.00	\$ 5,339.29	\$ 14,525.00	55.62%
Computer Supplies	\$ -	\$ -	\$ 1,885.27	\$ 2,590.54	\$ 360.00	\$ -	\$ 831.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,666.97	\$ -	\$ 5,666.97	\$ 2,213.66	100.00%
Executive Compensation	\$ 21,000.00	\$ 24,833.34	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 275,000.04	\$ 275,000.04	\$ -	\$ 252,000.00	0.00%
Executive Bonus (2011/2012 Fiscal Year)	\$ -	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 40,000.00	0.00%
Office Administration	\$ 8,500.00	\$ 8,500.00	\$ 18,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 112,000.00	\$ 102,000.00	\$ 10,000.00	\$ 94,000.00	9.80%
Payroll Burden	\$ 954.75	\$ 2,460.33	\$ 1,747.54	\$ 3,892.87	\$ 2,403.37	\$ 2,403.37	\$ 2,148.37	\$ 2,348.61	\$ 982.54	\$ 982.54	\$ 982.54	\$ 900.00	\$ 22,206.83	\$ 19,700.00	\$ 2,506.83	\$ 18,232.20	12.73%
Equipment Rental	\$ 549.37	\$ 549.37	\$ 550.56	\$ (949.01)	\$ 510.75	\$ 513.51	\$ 516.15	\$ 470.91	\$ 472.00	\$ 476.10	\$ 475.10	\$ 600.00	\$ 4,765.10	\$ 7,200.00	\$ (2,434.90)	\$ 6,829.23	-33.82%
General Insurance	\$ -	\$ 27,449.00	\$ 331.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,780.00	\$ 25,000.00	\$ 2,780.00	\$ 24,780.57	11.12%
Legal - General	\$ 7,993.19	\$ 6,168.27	\$ 5,129.50	\$ -	\$ 3,362.00	\$ 9,255.17	\$ (1,539.67)	\$ -	\$ 8,873.32	\$ 1,806.00	\$ -	\$ 5,000.00	\$ 46,047.78	\$ 60,000.00	\$ (13,952.22)	\$ 56,916.41	-23.25%
Legal - Loans/Lenders	\$ -	\$ -	\$ -	\$ 17,050.00	\$ -	\$ -	\$ 6,981.07	\$ 68.36	\$ -	\$ -	\$ -	\$ -	\$ 24,099.43	\$ -	\$ 24,099.43	\$ -	0.00%
Legal - Commercial Leasing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,065.00	\$ -	\$ -	\$ -	\$ -	\$ 7,065.00	\$ -	\$ 7,065.00	\$ -	100.00%
Legal - Haymount	\$ 14,647.90	\$ 45,380.05	\$ 1,019.73	\$ 2,365.76	\$ 650.96	\$ -	\$ 3,905.69	\$ 1,034.00	\$ 503.90	\$ -	\$ 1,602.84	\$ -	\$ 71,110.83	\$ 125,000.00	\$ (53,889.17)	\$ 253,952.21	-43.11%
Benefits	\$ 1,595.10	\$ 2,706.86	\$ 1,548.07	\$ 1,779.76	\$ 1,640.95	\$ 2,011.95	\$ 1,826.08	\$ 1,811.99	\$ 1,843.20	\$ 1,829.97	\$ 1,870.88	\$ 2,833.33	\$ 23,298.14	\$ 34,000.00	\$ (10,701.86)	\$ 19,184.75	-31.48%
Management Meals	\$ 364.21	\$ 449.11	\$ 1,238.64	\$ 1,014.71	\$ 372.84	\$ 285.90	\$ 857.61	\$ 95.03	\$ 238.13	\$ 459.64	\$ 130.16	\$ 300.00	\$ 5,805.98	\$ 4,500.00	\$ 1,305.98	\$ 6,490.60	29.02%
Offices Supplies	\$ 433.93	\$ 1,192.74	\$ 3,467.42	\$ 1,204.41	\$ 1,251.37	\$ 221.99	\$ 469.80	\$ 16.17	\$ 2,538.74	\$ 235.99	\$ 198.32	\$ 500.00	\$ 11,730.88	\$ 6,000.00	\$ 5,730.88	\$ 13,567.36	95.51%
Dues & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,104.00	0.00%
Other Taxes and Licenses	\$ -	\$ -	\$ 966.00	\$ -	\$ 200.00	\$ -	\$ 300.00	\$ 721.41	\$ 150.00	\$ 479.00	\$ -	\$ -	\$ 2,816.41	\$ 3,620.00	\$ (803.59)	\$ 120,393.09	-22.20%
Other Real Estate Taxes	\$ -	\$ -	\$ 2,799.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,799.72	\$ -	\$ -	\$ -	\$ 5,599.44	\$ 5,600.00	\$ (0.56)	\$ 5,383.06	-0.01%
Public Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,017.68	0.00%
Postage	\$ 444.26	\$ 295.21	\$ 574.91	\$ 317.28	\$ 346.21	\$ 336.45	\$ 85.38	\$ 102.64	\$ 109.95	\$ 96.28	\$ 195.72	\$ 375.00	\$ 3,279.29	\$ 4,500.00	\$ (1,220.71)	\$ 4,748.54	-27.13%
Accounting	\$ 245.00	\$ -	\$ 1,648.20	\$ 1,643.30	\$ 390.00	\$ -	\$ 390.00	\$ 2,250.00	\$ -	\$ 420.00	\$ 970.00	\$ 750.00	\$ 8,706.50	\$ 9,000.00	\$ (293.50)	\$ 4,378.38	-3.26%
Promotion & Entertainment	\$ 1,541.40	\$ -	\$ 110.58	\$ 35,455.95	\$ 445.88	\$ 241.59	\$ 1,300.00	\$ 218.64	\$ 108.46	\$ 146.62	\$ -	\$ -	\$ 39,569.12	\$ -	\$ 39,569.12	\$ 2,903.80	100.00%
Internal Control Audit/Review	\$ -	\$ -	\$ 3,385.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,385.00	\$ 6,000.00	\$ (2,615.00)	\$ 4,315.00	-43.58%
Audit and Tax Returns	\$ -	\$ -	\$ 42,838.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,838.75	\$ 51,000.00	\$ (8,161.25)	\$ 45,507.63	-16.00%
Rent	\$ 6,831.27	\$ 7,402.88	\$ 7,403.08	\$ 7,402.88	\$ 7,403.08	\$ 7,536.63	\$ 7,257.89	\$ 8,548.81	\$ 8,297.92	\$ 8,297.92	\$ 8,297.92	\$ 7,500.00	\$ 92,180.28	\$ 90,000.00	\$ 2,180.28	\$ 238,387.18	2.42%
Telephone	\$ 650.36	\$ 618.58	\$ 346.81	\$ 254.97	\$ 506.85	\$ 582.89	\$ 594.72	\$ 1,339.55	\$ 616.13	\$ 617.41	\$ 619.62	\$ 425.00	\$ 7,172.89	\$ 5,100.00	\$ 2,072.89	\$ 4,612.39	40.64%
Management Travel	\$ 2,059.78	\$ 1,678.23	\$ 2,060.68	\$ 3,709.68	\$ 3,093.90	\$ 1,122.60	\$ 960.90	\$ 1,944.89	\$ 713.66	\$ 4,961.92	\$ 2,005.54	\$ 3,000.00	\$ 27,311.78	\$ 36,000.00	\$ (8,688.22)	\$ 23,791.28	-24.13%
Payroll Processing Fees	\$ 507.51	\$ 338.34	\$ 507.51	\$ 455.64	\$ 338.34	\$ 354.94	\$ 316.34	\$ 329.08	\$ 346.08	\$ 329.08	\$ 329.08	\$ 300.00	\$ 4,451.94	\$ 3,600.00	\$ 851.94	\$ 3,498.80	23.67%
Board of Directors Fees	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 17,000.00	\$ 19,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 17,000.00	\$ 221,000.00	\$ 214,000.00	\$ 7,000.00	\$ 162,000.00	3.27%
Shareholders Annual Meeting	\$ -	\$ -	\$ 1,210.66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,210.66	\$ 7,000.00	\$ (5,789.34)	\$ 10,404.65	-82.70%
Board Travel and Meals	\$ -	\$ 8,892.84	\$ -	\$ 8,204.05	\$ -	\$ -	\$ 9,518.83	\$ -	\$ -	\$ 7,289.44	\$ -	\$ -	\$ 33,905.16	\$ 40,000.00	\$ (6,094.84)	\$ 39,422.65	-15.24%
Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,800.00	0.00%
Charitable Contributions	\$ -	\$ -	\$ -	\$ 10,000.00	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,000.00	\$ 2,000.00	\$ 9,000.00	\$ 1,000.00	450.00%
<b>Total Operating Expenses</b>	\$ 88,642.22	\$ 260,592.28	\$ 141,388.00	\$ 150,587.46	\$ 74,155.72	\$ 76,238.08	\$ 90,725.27	\$ 78,866.85	\$ 80,209.26	\$ 80,712.22	\$ 68,057.74	\$ 71,725.00	\$ 1,261,900.10	\$ 1,245,720.04	\$ 16,180.06	\$ 1,489,480.60	1.30%
<b>Net Operating Income</b>	\$ 158,927.58	\$ (25,931.42)	\$ 108,794.17	\$ 33,040.49	\$ 200,615.05	\$ 295,787.20	\$ 160,069.53	\$ 205,158.43	\$ 284,407.85	\$ 202,087.42	\$ 290,676.22	\$ 461,722.00	\$ 2,375,354.52	\$ 2,877,895.96	\$ (502,541.44)	\$ 1,115,404.76	-17.46%
<b>Other Income and Expenses</b>																	
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ -	\$ 100.00	\$ -	100.00%
Unamortized Loan Fee's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0
Accrued Interest HLP LOC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,673.63	0.00%
Deferred Tax Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 331,320.00	0.00%
Gain/Loss Sale of Asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (388,887.83)	0.00%
Pr Yr Adj - 2007 Pay Tax Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,878.85)	0.00%
Debt Service Interest (Other)	\$ -	\$ -	\$ -	\$ -	\$ (12,731.51)	\$ (11,656.83)	\$ (11,560.97)	\$ (11,464.88)	\$ (11,368.54)	\$ (11,271.95)	\$ (11,175.13)	\$ (11,078.07)	\$ (92,307.88)	\$ (92,307.87)	\$ (0.01)	\$ -	0.00%
Unrealized Investment Gain/Loss	\$ -	\$ -	\$ -	\$ -	\$ (6,268.13)	\$ 68,060.66	\$ 36,602.98	\$ 34,436.37	\$ (54,456.37)	\$ 100,619.34	\$ (10,147.54)	\$ -	\$ 168,847.31	\$ -	\$ 168,847.31	\$ -	100.00%
Interest Income	\$ 754.12	\$ 918.74	\$ 849.97	\$ 574.52	\$ 172.93	\$ 325.02	\$ 443.29	\$ 449.44	\$ 426.60	\$ 457.97	\$ 445.43	\$ 4,235.99	\$ 10,054.02	\$ 46,191.19	\$ (36,137.17)	\$ 4,237.80	-78.23%
<b>Total Other Income and Expenses</b>	\$ 754.12	\$ 918.74	\$ 849.97	\$ 574.52	\$ (18,826.71)	\$ 56,728.85	\$ 25,485.30	\$ 23,520.93	\$ (65,398.31)	\$ 89,805.36	\$ (20,877.24)	\$ (6,842.08)	\$ 86,693.45	\$ (46,116.68)	\$ 132,710.13	\$ 178,464.75	287.77%
<b>Net Income</b>	\$ 159,681.70	\$ (25,012.68)	\$ 109,644.14	\$ 33,615.01	\$ 181,788.34	\$ 352,516.05	\$ 185,554.83	\$ 228,679.36	\$ 219,009.54	\$ 291,892.78	\$ 269,798.98	\$ 454,879.92	\$ 2,462,047.97	\$ 2,831,779.28	\$ (369,831.31)	\$ 1,293,869.51	-13.06%
<b>Adjustments to reconcile net income</b>																	

to net cash provided by Operations

Amortization/Depreciation	\$	165,803.67	\$	169,063.70	\$	162,729.00	\$	168,063.71	\$	169,063.70	\$	169,063.70	\$	169,063.70	\$	169,063.70	\$	163,335.00	\$	2,012,440.98	\$	1,960,020.00	\$	52,420.98	\$	1,797,314.56		2.67%						
Accounts receivable	\$	108,228.95	\$	(15,042.41)	\$	(59,939.19)	\$	115,242.31	\$	24,246.79	\$	(176,597.38)	\$	202,214.55	\$	46,287.85	\$	(55,747.24)	\$	12,909.70	\$	(90,473.14)	\$	-	\$	111,330.79	\$	-	\$	111,330.79	\$	(96,493.56)		100.00%
Required Building Improvements	\$	(14,990.83)	\$	(6,898.00)	\$	(117.63)	\$	(11,322.37)	\$	(50,362.83)	\$	(25,620.28)	\$	(1,848.00)	\$	(270,156.09)	\$	(2,159.10)	\$	-	\$	(10,269.29)	\$	-	\$	(393,744.42)	\$	(445,069.00)	\$	51,324.58	\$	(397,351.75)		-11.53%
Optional Building Improvements		\$	-		\$	-		\$	-		\$	-		\$	-		\$	-		\$	-		\$	-	\$	(430,376.00)	\$	430,376.00		27,007.00		-100.00%		
Tenant Improvements	\$	(7,744.76)	\$	3,331.10	\$	(5,621.17)	\$	(6,571.07)	\$	(12,366.00)	\$	(37,548.25)	\$	(5,636.08)	\$	(1,920.88)	\$	(15,103.37)	\$	(192,106.22)	\$	(12,862.16)	\$	-	\$	(294,148.86)	\$	(891,914.00)	\$	597,765.14	\$	(325,457.99)		-67.02%
Leasing Commission	\$	(52,561.41)	\$	(58,998.57)	\$	(30,090.09)	\$	(718.00)	\$	(64,628.72)	\$	(9,600.98)	\$	(14,559.23)	\$	-	\$	(33,418.91)	\$	-	\$	(56,096.00)	\$	(76,996.00)	\$	(397,667.91)	\$	(573,019.00)	\$	175,351.09	\$	(594,229.54)		-30.60%
Development of 49th Street Lot										\$	(17,630.00)				\$	(16,743.40)				\$	(605.21)				\$	(34,978.61)								
Notes Receivable	\$	3,759.38	\$	3,774.91	\$	3,790.54	\$	3,806.30	\$	3,822.18	\$	3,838.17	\$	3,854.28	\$	3,870.51	\$	2,220.21	\$	2,236.68	\$	2,253.27	\$	2,255.00	\$	39,481.43	\$	39,319.00	\$	162.43		(26,980.49)		0.41%
Real Estate Tax Escrows	\$	(55,619.23)	\$	(56,202.11)	\$	(59,883.00)	\$	(59,887.88)	\$	(59,894.83)	\$	(59,897.18)	\$	(45,656.36)	\$	(59,877.83)	\$	(59,881.62)	\$	(59,885.46)	\$	(59,891.03)	\$	612,224.00	\$	(24,352.53)	\$	(9,641.00)	\$	(14,711.53)	\$	(706,593.72)		-152.59%
Escrow Fund Release		\$	-		\$	-		\$	-		\$	307,910.60		\$	-		\$	-		\$	-		\$	-	\$	307,910.60	\$	-	\$	307,910.60		805,076.98		0.00%
Accrued Real Estate Taxes	\$	74,645.00	\$	74,645.00	\$	74,645.00	\$	74,645.00	\$	74,645.00	\$	53,692.00	\$	60,405.13	\$	74,643.15	\$	74,643.15	\$	114,668.98	\$	114,668.97	\$	114,880.00	\$	980,826.38	\$	1,364,430.00	\$	(383,603.62)	\$	989,803.13		-28.11%
Real-estate Tax Payments		\$	-		\$	-		\$	-		\$	(412,679.00)		\$	-		\$	-		\$	-		\$	(916,567.00)	\$	(1,329,246.00)	\$	(1,364,430.00)	\$	35,184.00	\$	(989,809.05)		-2.58%
Accrued Expenses	\$	(215,978.91)	\$	37,874.19	\$	(87,094.64)	\$	16,945.41	\$	23,633.94	\$	82,027.99	\$	(75,229.37)	\$	255,122.07	\$	(177,679.93)	\$	197,475.00	\$	(210,400.30)	\$	-	\$	(153,304.55)	\$	-	\$	(153,304.55)	\$	305,680.34		100.00%
2007 Payroll tax payments											-			\$	-						\$	-		\$	-		\$	-		-		(383,493.41)		0.00%
Springvale Meadows Expense											-			\$	-						\$	-		\$	-		\$	-		-		(147,995.78)		0.00%
Minority Interest	\$	(119.97)		(\$168.00)		(\$213.84)					-		\$0.00	\$	-		(\$213.84)						\$	(715.65)	\$	-	\$	(715.65)	\$	(246,783.82)		100.00%		
Prepaid Expenses	\$	(16,233.90)		(\$64,365.18)		\$103,468.04		(\$74,849.22)		(\$22,159.79)		\$5,189.85		\$2,210.97		\$12,776.31		\$16,154.79		(\$20,756.90)		\$946.49		\$	(57,618.54)	\$	-	\$	(57,618.54)	\$	11,649.31		100.00%	
Prepaid Real Estate Taxes	\$	38,792.55		\$38,792.56		\$38,792.56		\$38,792.55		\$38,792.56		\$38,792.55		\$38,792.56		\$38,792.55		\$38,792.57		\$0.00		\$0.00		\$	349,133.01	\$	-	\$	349,133.01	\$	(15,375.30)		100.00%	
Prepaid Insurance	\$	6,478.88		\$6,478.88		\$6,478.88		\$6,478.88		\$6,478.87		\$6,421.00		\$6,421.06		(\$629.98)		(\$65,053.34)		\$6,582.31		\$6,582.32		\$	(7,282.24)	\$	-	\$	(7,282.24)	\$	(5,267.61)		100.00%	
Accounts Payable	\$	(39,916.46)		\$81,553.00		(\$150,621.09)		\$28,953.56		(\$11,047.27)		\$2,735.94		\$1,602.97		\$9,867.16		(\$10,167.86)		(\$5,192.91)		\$5,757.81		\$	(86,475.15)	\$	-	\$	(86,475.15)	\$	53,439.04		100.00%	
Security Deposits	\$	(8,115.00)		\$1,151.00		\$32,050.00		\$2,302.00		\$2,250.00		\$2,401.00		(\$1,250.00)	\$	-		\$35,752.00		\$0.00		\$5,526.25		\$	72,067.25	\$	-	\$	72,067.25	\$	23,420.71		100.00%	
Prepaid RE Tax Income	\$	-						\$0.00		\$0.00	\$	-		\$0.00		\$0.00		\$0.00		\$0.00		\$11,828.51		\$	11,828.51	\$	-	\$	11,828.51	\$	3,227.49		100.00%	
Prepaid Rent Income	\$	81,975.77		\$46,021.22		(\$9,623.54)		\$77,618.23		(\$32,577.85)		(\$80,124.60)		\$140,201.87		(\$101,348.87)		(\$10,748.44)		\$12,048.90		\$63,110.21		\$	186,552.90	\$	-	\$	186,552.90	\$	(142,382.10)		100.00%	
Deposit on Refinance of Shops at Sumner Place	\$	600,000.00				\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$	600,000.00	\$	600,000.00	\$	-	\$	(600,000.00)		0.00%	
Deferred Loan Charges	\$	-		(\$3,471.31)		\$6,948.05		\$6,948.05		\$6,948.05		(\$154,395.25)		\$6,948.05		\$6,948.05		\$6,948.05		\$6,948.05		\$6,948.05		\$	(102,282.16)	\$	-	\$	(102,282.16)	\$	91,613.70		100.00%	
Deferred Tax Asset	\$	-						\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$	-	\$	-	\$	-		(332,661.00)		100.00%	
Unrealized Investment Gain/Loss								\$6,268.13		(\$68,060.66)		(\$34,120.68)		(\$34,309.12)		\$54,587.76		(\$98,750.09)		\$10,153.89				\$	(164,230.77)	\$	-	\$	(164,230.77)	\$	-		100.00%	
Prior Tenant Clearing								\$1,525.00															\$	1,525.00										
Closing Cost for refinance		(\$481,133.75)																					\$	(481,133.75)	\$	(486,081.80)	\$	4,948.05		-		-1.02%		
Total Adjustments	\$	187,269.98	\$	257,539.98	\$	25,697.88	\$	386,447.46	\$	103,111.93	\$	(368,555.78)	\$	453,415.42	\$	132,385.18	\$	(32,011.42)	\$	144,636.53	\$	(43,152.45)	\$	(100,869.00)	\$	1,145,915.71	\$	(236,761.80)	\$	1,416,131.12	\$	(902,642.86)		598.12%
Net Cash provided from Operations	\$	346,951.68	\$	232,527.30	\$	135,342.02	\$	420,062.47	\$	284,900.27	\$	(16,039.73)	\$	638,970.25	\$	361,064.54	\$	186,998.12	\$	436,529.31	\$	226,646.53	\$	354,010.92	\$	3,607,963.68	\$	2,595,017.48	\$	1,046,299.81	\$	391,226.65		40.32%

Cash Flows from Financing Activities

Cardinal Bank (Spring Valley Retail)	\$ 14,444,000.78	\$ 14,426,117.18	\$ 14,406,215.37	\$ 14,388,179.32	\$ 14,370,062.58	\$ 16,600,000.00	\$ 16,576,028.72	\$ 16,532,687.71	\$ 16,525,806.01	\$ 16,499,565.79	\$ 16,475,218.30	\$ 16,450,773.73																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	</
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**W.C. and A.N. Miller Development Company**

**August 2013 Variance Report**

	Variance	Explanation
Rental Income	\$ 23,305.34	1. Higher vacancy at Sumner Highlands along with concessions (\$10,575) 2. Budgeted to have 1st floor of 4301 50th leased by now as well as lower level of 4315 50th Street (\$42,260) 3. Budgeted for USRC to be occupied (\$20,085) 5. Unbudgeted concession to Case Design, Burdeshaw, USR, Bethesda Market, Pralines, and Miller Corporate Offices (\$14,446)
Rental Expenses	\$ (7,004.03)	Demolition of vacant suites to better market them was unbudgeted
Net Rental Income Variance	\$ 1,821.96	
Operating Expenses Variance	\$ (3,667.26)	
Net Income Variance	\$ 5,489.22	
Increase/(Decrease) in cash	\$ 73,938.22	

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**Year to Date Variance Report**

Rental Income	\$ (586,227.07)	1. Higher vacancy at Sumner Highlands (\$115,123) 2. Delayed openings of several stores at Shops at Sumner Place (\$61,117) 3. Vacancy in Spring Valley Offices Buildings (\$99,751) 4. Unbudgeted concession to Case Design, Burdeshaw, USR, Bethesda Market, Pralines, and Miller Corporate Offices (\$246,305)
Rental Expenses	\$ 264,635.87	1. Brick work and tuck pointing at Sumner Highlands deferred to later in Spring. 2. Snow Removal less than budgeted. 3. Water & Sewer and Electric less than Budget 4. Repairs to Plaza level deck at Shops at Sumner Place has been deferred to a later date 5. Tenant Improvements delayed to a later date
Net Rental Income Variance	\$ (486,361.38)	
Operating Expenses Variance	\$ 16,180.06	1. Unbudgeted gifts to Bud Miller (\$10,000 Charitable Contribution; \$35,000 in Promotion and Entertainment) 2. Unbudgeted Fees to Cardinal Bank for refinance (\$16,500) 3. Unbudgeted Computers, printers and software updates (\$5,666.97) 4. Haymount Legal less than budget (\$55,995.91) 5. Higher Computer Consultant costs due to reconfiguring new computers and printers as well as brining e-mail in house (\$5,339.29) 6. Management Meals are over budget due to unbudgeted Christmas luncheon with McShea employees (\$1,316.18)
Net Income Variance	\$ (502,541.44)	
Increase/Decrease in cash	\$ 814,275.88	