

W.C. and A.N. Miller Development Company
Balance Sheet
for the period ending September 30, 2014

ASSETS

| Current Assets | Current Month | Prior Month |
|----------------------------------|--------------------------------|--------------------------------|
| Cash and Cash Equivalents | \$ 4,661,645.87 | \$ 4,823,712.17 |
| Investments | 2,485,517.83 | 2,485,676.87 |
| Unrealized Investments Gain/Loss | 563,951.75 | 714,782.76 |
| Accounts Receivable | 170,208.70 | 282,584.90 |
| Straightline Rent | 5,916,588.55 | 5,916,588.55 |
| Miscellaneous Receivables | 170,724.24 | 33,209.11 |
| Provision for Loss | 0.00 | 0.00 |
| Other Receivables | 901,033.57 | 903,514.15 |
| Inventory | 37,318.04 | 37,318.04 |
| Prepaid Expenses | 563,064.71 | 218,331.58 |
| Total Current Assets | <u>\$ 15,470,053.26</u> | <u>\$ 15,415,718.13</u> |
| Fixed Assets | | |
| Land | 6,310,994.50 | 6,310,994.50 |
| HLP, II Land | 538,905.48 | 538,905.48 |
| Buildings | 50,571,461.26 | 50,562,678.26 |
| Property and Equipment | 496,848.02 | 496,848.02 |
| Capital Improvements - Opt | 1,876.00 | 1,876.00 |
| Building on 49th Street | 37,920.11 | 37,920.11 |
| Improvements | 14,129,602.57 | 13,813,066.75 |
| Less: Accumulated Depreciation | 24,004,287.69 | 23,855,296.63 |
| Net Fixed Assets | <u>\$ 48,083,320.25</u> | <u>\$ 47,906,992.49</u> |
| Other Assets | | |
| Deferred Leasing Commissions, | 1,547,834.19 | 1,484,880.63 |
| Deferred Finance Charges, net | 1,021,187.70 | 1,027,405.65 |
| Accum Amort Def | (26,106.12) | (23,205.44) |
| Deposit | 17,630.05 | 17,630.05 |
| Deferred Taxes | 7,747,233.00 | 7,747,233.00 |
| Deposit on Refinance | 0.00 | 0.00 |
| Real Estate Tax Escrow | 101,686.18 | 500,653.74 |
| Total Other Assets | <u>\$ 10,409,465.00</u> | <u>\$ 10,754,597.63</u> |
| TOTAL ASSETS | <u><u>\$ 73,962,838.51</u></u> | <u><u>\$ 74,077,308.25</u></u> |

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities

| | | |
|----------------------|---------------|--------------|
| Accounts Payable | \$ 100,988.25 | \$ 74,242.57 |
| Accrued Income Taxes | 0.00 | 0.00 |
| Accrued Expenses | 1,121,347.04 | 1,421,481.19 |
| Security Deposits | 499,715.02 | 499,314.02 |
| Prepaid RE Income | 83,852.02 | 82,637.70 |
| Prepaid Rent Income | 521,243.56 | 360,147.99 |

| | | |
|----------------------------------|------------------------|------------------------|
| Total Current Liabilities | \$ 2,327,145.89 | \$ 2,437,823.47 |
|----------------------------------|------------------------|------------------------|

Long-Term Liabilities

| | | |
|-------------------|---------------|---------------|
| Notes Payable (1) | 94,477,754.80 | 94,689,857.81 |
| Guaranty Reserve | 0.00 | 0.00 |

| | | |
|------------------------------------|-------------------------|-------------------------|
| Total Long-Term Liabilities | \$ 94,477,754.80 | \$ 94,689,857.81 |
|------------------------------------|-------------------------|-------------------------|

| | | |
|--------------------------|-------------------------|-------------------------|
| Total Liabilities | \$ 96,804,900.69 | \$ 97,127,681.28 |
|--------------------------|-------------------------|-------------------------|

| | | |
|------------------------------|-----------------------|-----------------------|
| Minority Interest (2) | (6,804,590.07) | (6,804,590.07) |
|------------------------------|-----------------------|-----------------------|

| | | |
|--------------------------------|--------------------------|--------------------------|
| Total Minority Interest | \$ (6,804,590.07) | \$ (6,804,590.07) |
|--------------------------------|--------------------------|--------------------------|

Stockholders' Deficit

| | | |
|-----------------------------|-----------------|-----------------|
| Common Stock | 800,200.00 | 800,200.00 |
| Dividend | 0.00 | 0.00 |
| Retained Earnings (Deficit) | (16,837,672.11) | (17,045,982.96) |

| | | |
|------------------------------------|---------------------------|---------------------------|
| Total Stockholders' Deficit | \$ (16,037,472.11) | \$ (16,245,782.96) |
|------------------------------------|---------------------------|---------------------------|

| | | |
|--|-------------------------|-------------------------|
| TOTAL LIABILITIES & STOCKHOLDERS' DEFICIT | \$ 73,962,838.51 | \$ 74,077,308.25 |
|--|-------------------------|-------------------------|

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 September 30, 2014

| | Current Month | Budget | Prior Month |
|---------------------------|------------------|------------------|------------------|
| Promissory Notes | \$ 3,309,265.81 | \$ 3,309,265.84 | 3,400,763.90 |
| Key Bank Loan | 16,711,754.26 | 16,711,754.26 | 16,736,105.36 |
| N/P - TIAA Loan | 21,042,038.82 | 21,042,038.82 | 21,066,919.99 |
| N/P - Haymount Mezz | 8,250,229.83 | 8,250,229.83 | 8,250,229.83 |
| N/P - Cardinal Loan - SVR | 16,136,161.01 | 16,136,128.52 | 16,161,773.81 |
| N/P - Guardian Loan | 29,028,305.07 | 29,028,305.13 | 29,074,064.92 |
| Total Long Term Debt | \$ 94,477,754.80 | \$ 94,477,722.40 | \$ 94,689,857.81 |

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 September 30, 2014

| | September 2014 Actual | September 2014 Budget | September 2014 Variance | September 2013 Prior Year | Year to Date Actual | Year to Date Budget | Year to Date Variance | Year to Date Prior Year |
|-----------------------------------|--------------------------|--------------------------|----------------------------|------------------------------|------------------------|------------------------|--------------------------|----------------------------|
| Rental Activities | | | | | | | | |
| Rent Income | \$ 1,514,051.83 | 1,605,180.00 | (91,128.17) | 3,851,548.97 | 16,200,720.14 | 16,678,962.00 | (478,241.86) | 18,168,204.90 |
| Rent Expenses | (348,587.97) | (336,762.00) | (11,825.97) | (464,222.71) | (4,302,890.37) | (4,312,688.00) | 9,797.63 | (4,288,442.84) |
| Real Estate Taxes | (112,274.03) | (120,020.00) | 7,745.97 | (114,668.96) | (1,437,833.94) | (1,426,074.00) | (11,759.94) | (1,364,928.19) |
| Depreciation | (176,745.19) | (176,751.00) | 5.81 | (138,078.74) | (2,120,942.28) | (2,120,943.00) | 0.72 | (2,074,207.96) |
| Debt Service-Interest | (344,627.05) | (374,403.00) | 29,775.95 | (348,313.75) | (4,509,898.56) | (4,513,559.00) | 3,660.44 | (4,550,553.49) |
| Net Rental Income | 531,817.59 | 597,244.00 | (65,426.41) | 2,786,264.81 | 3,829,154.99 | 4,305,698.00 | (476,543.01) | 5,890,072.42 |
| Gross Profit | 531,817.59 | 597,244.00 | (65,426.41) | 2,786,264.81 | 3,829,154.99 | 4,305,698.00 | (476,543.01) | 5,890,072.42 |
| Operating Expenses | | | | | | | | |
| Bank Charges | 175.08 | 200.00 | (24.92) | 164.49 | 1,886.61 | 2,400.00 | (513.39) | 1,479.59 |
| Schwab - ABP Fee | 159.04 | - | 159.04 | 641.65 | 1,808.42 | - | 1,808.42 | 972.06 |
| Schwab - Mgt Fee | - | - | - | (137.74) | 7,636.41 | 7,000.00 | 636.41 | 4,148.39 |
| Computer Supplies | - | 200.00 | (200.00) | - | 1,199.00 | 3,200.00 | (2,001.00) | 5,666.97 |
| Computer Consultant | 1,700.00 | 1,000.00 | 700.00 | 2,475.00 | 16,162.00 | 12,000.00 | 4,162.00 | 16,614.29 |
| Office Administration | 8,925.00 | 8,925.00 | - | 8,500.00 | 117,100.00 | 107,100.00 | 10,000.00 | 112,000.00 |
| Dues and Subscriptions | - | - | - | - | 89.00 | - | 89.00 | - |
| General Insurance | - | - | - | 852.95 | 33,452.25 | 29,000.00 | 4,452.25 | 28,632.95 |
| Legal - General | 6,555.00 | 5,000.00 | 1,555.00 | 6,096.72 | 17,445.47 | 60,000.00 | (42,554.53) | 47,144.50 |
| Legal - Valuation Work | - | - | - | - | 3,000.00 | - | 3,000.00 | - |
| Legal - Loan/Lenders | - | - | - | - | - | - | - | 24,099.43 |
| Commercial Leasing | - | - | - | - | 2,578.00 | - | 2,578.00 | 7,065.00 |
| Legal - Haymount | 290.50 | - | 290.50 | 9,351.27 | 151,994.71 | 60,000.00 | 91,994.71 | 80,462.10 |
| Benefits | 2,872.16 | 2,833.33 | 38.83 | 13,385.05 | 33,620.62 | 33,999.98 | (379.36) | 33,849.86 |
| Management Meals | 1,034.52 | 500.00 | 534.52 | 96.98 | 7,073.18 | 6,900.00 | 173.18 | 5,602.96 |
| Office Supplies | 683.22 | 600.00 | 83.22 | 1,222.43 | 15,322.04 | 7,200.00 | 8,122.04 | 12,453.31 |
| Other Taxes and Licenses | 60,771.87 | - | 60,771.87 | 1,040.00 | 62,508.72 | 1,600.00 | 60,908.72 | 3,856.41 |
| Payroll Taxes | 1,090.57 | 2,500.00 | (1,409.43) | 1,010.54 | 23,606.34 | 31,500.00 | (7,893.66) | 22,317.37 |
| Estimated Taxes (Federal & State) | 17,565.00 | 17,565.00 | - | - | 70,260.00 | 70,260.00 | - | - |
| Postage | 286.20 | 375.00 | (88.80) | 347.56 | 3,462.99 | 4,500.00 | (1,037.01) | 3,251.85 |
| Public Relations | - | - | - | - | - | - | - | - |
| Accounting | 640.00 | 1,200.00 | (560.00) | 2,115.00 | 8,489.00 | 14,400.00 | (5,911.00) | 10,071.50 |
| Review/Tax Returns/Fin St. | - | - | - | 236.25 | 55,517.40 | 57,000.00 | (1,482.60) | 43,075.00 |
| Internal Control Review | - | - | - | - | 3,725.60 | 6,000.00 | (2,274.40) | 3,385.00 |
| Promotion and Entertainment | - | 350.00 | (350.00) | - | 4,968.69 | 4,200.00 | 768.69 | 39,569.12 |
| Charitable Contribution | 1,250.00 | - | 1,250.00 | 800.00 | 3,250.00 | 2,000.00 | 1,250.00 | 11,800.00 |

| | | | | | | | | |
|--|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Rent | 9,196.57 | 9,000.00 | 196.57 | 165,945.17 | 109,615.02 | 108,000.00 | 1,615.02 | 250,625.42 |
| Executive Compensation | 28,125.00 | 28,125.00 | - | 22,916.67 | 337,500.00 | 337,500.00 | - | 275,000.04 |
| Executive Bonus | - | - | - | - | 150,000.00 | 150,000.00 | - | 100,000.00 |
| Executive Compensation Committee Fees | 2,002.00 | - | 2,002.00 | - | 11,502.00 | - | 11,502.00 | - |
| Office Phone & Internet | 552.91 | 600.00 | (47.09) | 352.77 | 6,713.09 | 7,200.00 | (486.91) | 4,517.87 |
| Cell Phones & Mobile Devices | 280.21 | 750.00 | (469.79) | 371.84 | 7,939.91 | 9,000.00 | (1,060.09) | 7,119.73 |
| Management Travel | 2,050.39 | 3,500.00 | (1,449.61) | 1,232.97 | 18,878.36 | 42,000.00 | (23,121.64) | 25,544.75 |
| Payroll Processing Fees | 357.08 | 400.00 | (42.92) | 346.08 | 4,496.24 | 4,800.00 | (303.76) | 4,498.02 |
| Board of Directors Fees | 18,000.00 | 18,000.00 | - | 18,000.00 | 216,000.00 | 216,000.00 | - | 222,000.00 |
| House Plans for Neighbors | 37.37 | - | 37.37 | - | (810.40) | - | (810.40) | - |
| RE Tax Expense | - | - | - | (33.66) | 6,027.18 | 6,600.00 | (572.82) | 5,565.78 |
| Costs associated with Sale of Property | - | - | - | - | 631.34 | - | 631.34 | - |
| Shareholders Annual Meeting | - | - | - | - | 794.70 | 2,000.00 | (1,205.30) | 1,210.66 |
| Board Travel and Meals | - | - | - | - | 23,622.79 | 30,000.00 | (6,377.21) | 33,905.16 |
| Total Operating Expenses | 164,599.69 | 101,623.33 | 62,976.36 | 257,329.99 | 1,539,066.68 | 1,433,359.98 | 105,706.70 | 1,447,505.09 |
| Net Operating Income | 367,217.90 | 495,620.67 | (128,402.77) | 2,528,934.82 | 2,290,088.31 | 2,872,338.02 | (582,249.71) | 4,442,567.34 |
| Other Income and Expenses | | | | | | | | |
| Miscellaneous Income | - | - | - | 64,519.84 | 8,465.00 | - | 8,465.00 | 64,519.84 |
| Interest Income | 425.87 | 500.00 | (74.13) | 435.96 | 5,136.06 | 6,000.00 | (863.94) | 6,255.13 |
| Accrued Interest HLP LOC | | | | 256,862.61 | | | | 256,862.61 |
| Interest Dividend Income | - | - | - | (46.40) | (46.40) | - | (46.40) | (46.40) |
| Debt Service (Interest) Other | \$ (8,501.91) | (8,501.91) | - | (22,157.72) | (105,977.17) | (105,977.19) | 0.02 | (103,288.67) |
| Springvale Meadows | | | | (1,110.00) | | | | (1,110.00) |
| Deferred Tax Expense | | | | 173,350.00 | | | | |
| Gain/Loss on Sale of Asset | | | | (117,125.38) | | | | (117,125.38) |
| Unrealized Investment Gain/Loss | (150,831.01) | - | (150,831.01) | 160,306.69 | 234,834.46 | - | 234,834.46 | 329,154.00 |
| Total Other Income and Expenses | (158,907.05) | (8,001.91) | (150,905.14) | 515,035.60 | 142,411.95 | (99,977.19) | 242,389.14 | 435,221.13 |
| Net Income | \$ 208,310.85 | \$ 487,618.76 | (\$ 279,307.91) | \$ 3,043,970.42 | \$ 2,432,500.26 | \$ 2,772,360.83 | (\$ 339,860.57) | \$ 4,877,788.47 |

W.C. and A.N. MILLER COMPANIES
STATEMENT OF CASH FLOW
For the Month Ended September 30, 2014

| | Current Month | Year to Date |
|---|---------------------|-----------------------|
| Cash Flows for Operating Activities: | | |
| Net Income | 208,310.85 | 2,432,546.65 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | | |
| Dividend | - | - |
| Depreciation and amortization | 176,745.19 | 2,084,851.19 |
| Unrealized Investment Gain/Loss | 150,831.01 | (234,797.75) |
| Loss on disposition of fixed assets | - | - |
| Income allocated to minority interest | - | (1,115.07) |
| Accounts receivable | (25,138.93) | (102,132.82) |
| Other receivables | 2,480.58 | 28,590.19 |
| Inventory | - | - |
| Deferred income taxes | - | - |
| Prepaid expenses | 13,882.44 | (4,706.12) |
| Current maturities of long term debt | - | - |
| Accounts payable | 26,745.68 | (166,048.42) |
| Accrued income taxes | - | - |
| Accrued expenses | (300,134.15) | (166,633.29) |
| Security deposits | 401.00 | 41,224.80 |
| Prior Tenant Clearing (SH) | - | - |
| Prepaid Real Estate Tax | (358,615.57) | (101,737.07) |
| Prepaid Real Estate Tax Income | 1,214.32 | 1,214.32 |
| Prepaid rent income | 161,095.57 | (110,121.80) |
| Total Adjustments | <u>(150,492.86)</u> | <u>1,268,588.16</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>57,817.99</u> | <u>3,701,134.81</u> |
| Cash Flow for Investing Activities: | | |
| Acquisition of fixed assets | (325,318.82) | (1,820,888.92) |
| Acquisition of deferred financing charges | - | - |
| Acquisition of deferred Leasing Commissions | (81,589.06) | (374,345.54) |
| Acquisition of real estate tax escrow | 398,967.56 | (32,700.48) |
| Acquisition of Investments | 159.04 | 9,408.12 |
| Development of 49th Street Lot | - | (1,181.50) |
| Acquisition of water escrow | - | - |
| Disposition of guaranty reserve | - | - |
| Disposition of deposit | - | - |
| Net Cash Used for Investing Activities | <u>(7,781.28)</u> | <u>(2,219,708.32)</u> |
| Cash Flow for Financing Activities: | | |
| Disposition of long term debt | (212,103.01) | (2,420,489.15) |
| Acquisition of long term debt | - | - |
| Net Cash Used for Financing Activities | <u>(212,103.01)</u> | <u>(2,420,489.15)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (162,066.30) | (939,062.65) |
| Cash and cash equivalents, Beginning of Period | <u>4,823,712.17</u> | <u>5,600,705.52</u> |
| | - | - |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>4,661,645.87</u> | <u>4,661,645.87</u> |

W.C. and A.N. Miller Development Company
2013/2014 Cash Flow Statement
Summary

| | September 2014 Month Actual | September 2014 Month Budget | Variance | September 2013 Prior Year | Actual Year to Date | Budget Year to Date | Variance | Variance as a Percentage | Prior Year to Date |
|---|--------------------------------|--------------------------------|------------------------|------------------------------|--------------------------|--------------------------|------------------------|-----------------------------|--------------------------|
| Rental Activities | | | | | | | | | |
| Rent Income | \$ 1,514,051.83 | \$ 1,605,180.00 | \$ (91,128.17) | \$ 3,851,548.97 | \$ 16,200,720.14 | \$ 16,678,962.00 | \$ (478,241.86) | -2.87% | \$ 18,168,204.90 |
| Rent Expenses | \$ (348,587.97) | \$ (336,762.00) | \$ (11,825.97) | \$ (464,222.71) | \$ (4,302,890.37) | \$ (4,312,688.00) | \$ 9,797.63 | -0.23% | \$ (4,288,442.84) |
| Real Estate Taxes | \$ (112,274.03) | \$ (120,020.00) | \$ 7,745.97 | \$ (114,668.96) | \$ (1,437,833.94) | \$ (1,426,074.00) | \$ (11,759.94) | 0.82% | \$ (1,364,928.19) |
| Amortization/Depreciation | \$ (176,745.19) | \$ (176,751.00) | \$ 5.81 | \$ (138,078.74) | \$ (2,120,942.28) | \$ (2,120,943.00) | \$ 0.72 | 0.00% | \$ (2,074,207.96) |
| Debt Service - Interest | \$ (344,627.05) | \$ (374,403.00) | \$ 29,775.95 | \$ (348,313.75) | \$ (4,509,898.56) | \$ (4,513,559.00) | \$ 3,660.44 | -0.08% | \$ (4,550,553.49) |
| Net Rental Income | <u>\$ 531,817.59</u> | <u>\$ 597,244.00</u> | <u>\$ (65,426.41)</u> | <u>\$ 2,786,264.81</u> | <u>\$ 3,829,154.99</u> | <u>\$ 4,305,698.00</u> | <u>\$ (476,543.01)</u> | <u>-11.07%</u> | <u>\$ 5,890,072.42</u> |
| Total Operating Expenses | <u>\$ 164,599.69</u> | <u>\$ 101,623.33</u> | <u>\$ 62,976.36</u> | <u>\$ 259,548.85</u> | <u>\$ 1,539,066.68</u> | <u>\$ 1,433,359.99</u> | <u>\$ 105,706.70</u> | <u>7.37%</u> | <u>\$ 1,447,505.09</u> |
| Net Income | <u>\$ 208,310.85</u> | <u>\$ 487,618.76</u> | <u>\$ (279,307.91)</u> | <u>\$ 3,043,970.42</u> | <u>\$ 2,432,546.66</u> | <u>\$ 2,772,360.82</u> | <u>\$ (339,814.17)</u> | <u>-12.26%</u> | <u>\$ 5,051,138.47</u> |
| Total Adjustments to Reconcile to Cash | <u>\$ (158,274.14)</u> | <u>\$ (609,805.00)</u> | <u>\$ 451,530.86</u> | <u>\$ (384,492.52)</u> | <u>\$ (951,117.16)</u> | <u>\$ (566,876.00)</u> | <u>\$ (384,241.16)</u> | <u>67.78%</u> | <u>\$ 862,292.17</u> |
| Net Cash provided from Operations | <u>\$ 50,036.71</u> | <u>\$ (122,186.24)</u> | <u>\$ 172,222.95</u> | <u>\$ 2,659,477.90</u> | <u>\$ 1,481,429.50</u> | <u>\$ 2,205,484.82</u> | <u>\$ (724,055.33)</u> | <u>-32.83%</u> | <u>\$ 5,913,430.64</u> |
| Increase or (Decrease) in Long Term Debt | <u>\$ (212,103.01)</u> | <u>\$ (212,103.13)</u> | <u>\$ 0.12</u> | <u>\$ (153,304.23)</u> | <u>\$ (2,420,489.15)</u> | <u>\$ (2,510,530.77)</u> | <u>\$ 90,041.62</u> | <u>-3.59%</u> | <u>\$ 9,918,733.41</u> |
| Net Increase (Decrease) in Cash (FREE CASH FLOW) | <u>\$ (162,066.30)</u> | <u>\$ (334,289.37)</u> | <u>\$ 172,223.07</u> | <u>\$ 2,506,173.67</u> | <u>\$ (939,059.65)</u> | <u>\$ (305,045.95)</u> | <u>\$ (634,013.71)</u> | <u>207.84%</u> | <u>\$ 15,832,164.05</u> |
| Shareholder Dividend | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>0.00%</u> | <u>\$ (6,350,000.00)</u> |
| Investments | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>0.00%</u> | <u>\$ (2,500,000.00)</u> |
| Cash Balance at Beginning of Period | <u>\$ 4,823,712.17</u> | <u>\$ 5,629,948.93</u> | <u>\$ (806,236.76)</u> | <u>\$ 5,910,673.47</u> | <u>\$ 5,600,705.52</u> | <u>\$ 5,600,705.52</u> | <u>\$ -</u> | | <u>\$ 1,434,683.07</u> |
| Increase (Decrease) in cash during period | <u>\$ (162,066.30)</u> | <u>\$ (334,289.37)</u> | <u>\$ 172,223.07</u> | <u>\$ 2,506,173.67</u> | <u>\$ (939,059.65)</u> | <u>\$ (305,045.95)</u> | <u>\$ (634,013.70)</u> | <u>207.84%</u> | <u>\$ 6,982,164.05</u> |
| Cash at End of Period | <u>\$ 4,661,645.87</u> | <u>\$ 5,295,659.56</u> | <u>\$ (634,013.69)</u> | <u>\$ 8,416,847.12</u> | <u>\$ 4,661,645.87</u> | <u>\$ 5,295,659.57</u> | <u>\$ (634,013.70)</u> | <u>-11.97%</u> | <u>\$ 8,416,847.12</u> |

W.C. and A.N. Miller Development Company
Cash Flow Statement as of September 30, 2014
Comparison

| | September 2014 Actual | September 2014 Budget | September 2014 Variance | September 2013 Prior Year | Year to Date Actual | Year to Date Budget | Year to Date Variance | Variance as a Percentage | Year to Date Prior Year |
|---------------------------------------|--------------------------|--------------------------|----------------------------|------------------------------|------------------------|------------------------|--------------------------|-----------------------------|----------------------------|
| Rental Activities | | | | | | | | | |
| Rent Income | \$ 1,514,051.83 | 1,605,180.00 | (91,128.17) | 3,851,548.97 | 16,200,720.14 | 16,678,962.00 | (478,241.86) | -2.87% | 18,168,204.90 |
| Rent Expenses | (\$ 348,587.97) | (336,762.00) | (11,825.97) | (464,222.71) | (4,302,890.37) | (4,312,688.00) | 9,797.63 | -0.23% | (4,288,442.84) |
| Real Estate Taxes | (\$ 112,274.03) | (120,020.00) | 7,745.97 | (114,668.96) | (1,437,833.94) | (1,426,074.00) | (11,759.94) | 0.82% | (1,364,928.19) |
| Depreciation | (\$ 176,745.19) | (176,751.00) | 5.81 | (138,078.74) | (2,120,942.28) | (2,120,943.00) | 0.72 | 0.00% | (2,074,207.96) |
| Debt Service-Interest | (\$ 344,627.05) | (374,403.00) | 29,775.95 | (348,313.75) | (4,509,898.56) | (4,513,559.00) | 3,660.44 | -0.08% | (4,550,553.49) |
| Net Rental Income | 531,817.59 | 597,244.00 | (65,426.41) | 2,786,264.81 | 3,829,154.99 | 4,305,698.00 | (476,543.01) | -11.07% | 5,890,072.42 |
| Gross Profit | 531,817.59 | 597,244.00 | (65,426.41) | 2,786,264.81 | 3,829,154.99 | 4,305,698.00 | (476,543.01) | -11.07% | 5,890,072.42 |
| Operating Expenses | | | | | | | | | |
| Bank Charges | 175.08 | 200.00 | (24.92) | 164.49 | 1,886.61 | 2,400.00 | (513.39) | -21.39% | 1,479.59 |
| Schwab - ABP Fee | 159.04 | - | 159.04 | 641.65 | 1,808.42 | - | 1,808.42 | 100.00% | 972.06 |
| Schwab - Mgt Fee | - | - | - | (137.74) | 7,636.41 | 7,000.00 | 636.41 | 9.09% | 4,148.39 |
| Computer Supplies | - | 200.00 | (200.00) | - | 1,199.00 | 3,200.00 | (2,001.00) | -62.53% | 5,666.97 |
| Computer Consultant | 1,700.00 | 1,000.00 | 700.00 | 2,475.00 | 16,162.00 | 12,000.00 | 4,162.00 | 34.68% | 16,614.29 |
| Office Administration | 8,925.00 | 8,925.00 | - | 8,500.00 | 117,100.00 | 107,100.00 | 10,000.00 | 9.34% | 112,000.00 |
| Dues and Subscriptions | - | - | - | - | 89.00 | - | 89.00 | 100.00% | - |
| General Insurance | - | - | - | 852.95 | 33,452.25 | 29,000.00 | 4,452.25 | 15.35% | 28,632.95 |
| Legal - General | 6,555.00 | 5,000.00 | 1,555.00 | 6,096.72 | 17,445.47 | 60,000.00 | (42,554.53) | -70.92% | 47,144.50 |
| Legal - Valuation Work | - | - | - | - | 3,000.00 | - | 3,000.00 | - | - |
| Legal - Loan/Lenders | - | - | - | - | - | - | - | 100.00% | 24,099.43 |
| Legal - Commercial Leasing | - | - | - | - | 2,578.00 | - | 2,578.00 | - | 7,065.00 |
| Legal - Haymount | 290.50 | - | 290.50 | 9,351.27 | 151,994.71 | 60,000.00 | 91,994.71 | 153.32% | 80,462.10 |
| Benefits | 2,872.16 | 2,833.33 | 38.83 | 13,385.05 | 33,620.62 | 33,999.98 | (379.36) | -1.12% | 33,849.86 |
| Management Meals | 1,034.52 | 500.00 | 534.52 | 96.98 | 7,073.18 | 6,900.00 | 173.18 | 2.51% | 5,602.96 |
| Office Supplies | 683.22 | 600.00 | 83.22 | 1,222.43 | 15,322.04 | 7,200.00 | 8,122.04 | 112.81% | 12,453.31 |
| Other Taxes and Licenses | 60,771.87 | - | 60,771.87 | 1,040.00 | 62,508.72 | 1,600.00 | 60,908.72 | 3806.80% | 3,856.41 |
| Payroll Taxes | 1,090.57 | 2,500.00 | (1,409.43) | 1,010.54 | 23,606.34 | 31,500.00 | (7,893.66) | -25.06% | 22,317.37 |
| Estimated Taxes (Federal & State) | 17,565.00 | 17,565.00 | - | - | 70,260.00 | 70,260.00 | - | 0.00% | - |
| Postage | 286.20 | 375.00 | (88.80) | 347.56 | 3,462.99 | 4,500.00 | (1,037.01) | -23.04% | 3,251.85 |
| Public Relations | - | - | - | - | - | - | - | - | - |
| Accounting | 640.00 | 1,200.00 | (560.00) | 2,115.00 | 8,489.00 | 14,400.00 | (5,911.00) | -41.05% | 10,071.50 |
| Review/Tax Returns/Fin St. | - | - | - | 236.25 | 55,517.40 | 57,000.00 | (1,482.60) | -2.60% | 43,075.00 |
| Internal Control Review | - | - | - | - | 3,725.60 | 6,000.00 | (2,274.40) | -37.91% | 3,385.00 |
| Promotion and Entertainment | - | 350.00 | (350.00) | - | 4,968.69 | 4,200.00 | 768.69 | 18.30% | 39,569.12 |
| Charitable Contribution | 1,250.00 | - | 1,250.00 | 800.00 | 3,250.00 | 2,000.00 | 1,250.00 | 62.50% | 11,800.00 |
| Rent | 9,196.57 | 9,000.00 | 196.57 | 168,164.03 | 109,615.02 | 108,000.00 | 1,615.02 | 1.50% | 250,625.42 |
| Executive Compensation | 28,125.00 | 28,125.00 | - | 22,916.67 | 337,500.00 | 337,500.00 | - | 0.00% | 275,000.04 |
| Executive Bonus | - | - | - | - | 150,000.00 | 150,000.00 | - | 0.00% | 100,000.00 |
| Executive Compensation Committee Fees | 2,002.00 | - | 2,002.00 | - | 11,502.00 | - | 11,502.00 | 100.00% | - |
| Office Phone & Internet | 552.91 | 600.00 | (47.09) | 352.77 | 6,713.09 | 7,200.00 | (486.91) | -6.76% | 4,517.87 |
| Cell Phones & Mobile Devices | 280.21 | 750.00 | (469.79) | 371.84 | 7,939.91 | 9,000.00 | (1,060.09) | -11.78% | 7,119.73 |
| Management Travel | 2,050.39 | 3,500.00 | (1,449.61) | 1,232.97 | 18,878.36 | 42,000.00 | (23,121.64) | -55.05% | 25,544.75 |
| Payroll Processing Fees | 357.08 | 400.00 | (42.92) | 346.08 | 4,496.24 | 4,800.00 | (303.76) | -6.33% | 4,498.02 |
| Board of Directors Fees | 18,000.00 | 18,000.00 | - | 18,000.00 | 216,000.00 | 216,000.00 | - | 0.00% | 222,000.00 |
| House Plans for Neighbors | 37.37 | - | 37.37 | - | (810.40) | - | (810.40) | 100.00% | - |
| RE Tax Expense | - | - | - | (33.66) | 6,027.18 | 6,600.00 | (572.82) | -8.68% | 5,565.78 |

| | September 2014 Actual | September 2014 Budget | September 2014 Variance | September 2013 Prior Year | Year to Date Actual | Year to Date Budget | Year to Date Variance | Variance as a Percentage | Year to Date Prior Year |
|---|--------------------------|--------------------------|----------------------------|------------------------------|------------------------|------------------------|--------------------------|-----------------------------|----------------------------|
| Costs associated with Sale of Property | - | | - | - | 631.34 | - | 631.34 | 100.00% | - |
| Shareholders Annual Meeting | - | | - | - | 794.70 | 2,000.00 | (1,205.30) | -60.27% | 1,210.66 |
| Board Travel and Meals | - | - | - | - | 23,622.79 | 30,000.00 | (6,377.21) | -21.26% | 33,905.16 |
| Total Operating Expenses | 164,599.69 | 101,623.33 | 62,976.36 | 259,548.85 | 1,539,066.68 | 1,433,359.99 | 105,706.70 | 7.37% | 1,447,505.09 |
| Net Operating Income | 367,217.90 | 495,620.67 | (128,402.77) | 2,526,715.96 | 2,290,088.31 | 2,872,338.01 | (582,249.71) | -20.27% | 4,442,567.34 |
| Other Income and Expenses | | | | | | | | | |
| Miscellaneous Income | - | - | - | 64,327.04 | 8,465.00 | - | 8,465.00 | 100.00% | 64,519.84 |
| Springvale Meadows Expenses | | | | 1,110.00 | - | | | | (1,110.00) |
| Interest Income | 425.87 | 500.00 | (74.13) | 435.96 | 5,136.06 | 6,000.00 | (863.94) | -14.40% | 6,255.13 |
| Interest Dividend Income | - | - | - | (46.40) | - | - | - | 100.00% | (46.40) |
| Accrued Interest HLP LOC | | | | 256,862.61 | | | | | 256,862.61 |
| Deferred Tax Expenses | | | | 173,442.80 | | | | | 173,350.00 |
| Gain/Loss Sale of Asset | | | | (117,125.38) | | | | | (117,125.38) |
| Debt Service (Interest) Other | (8,501.91) | (8,501.91) | - | (22,058.86) | (105,977.17) | (105,977.19) | 0.02 | 0.00% | (103,288.67) |
| Unrealized Investment Gain/Loss | (150,831.01) | - | (150,831.01) | 160,306.69 | 234,834.46 | - | 234,834.46 | 100.00% | 329,154.00 |
| Total Other Income and Expenses | (158,907.05) | (8,001.91) | (150,905.14) | 517,254.46 | 142,458.35 | (99,977.19) | 242,435.54 | -242.49% | 608,571.13 |
| Net Income | \$ 208,310.85 | \$ 487,618.76 | (\$ 279,307.91) | \$ 3,043,970.42 | \$ 2,432,546.66 | \$ 2,772,360.82 | (\$ 339,814.17) | -12.26% | \$ 5,051,138.47 |
| Adjustments to reconcile net income to net cash provided by Operations | | | | | | | | | |
| Amortization/Depreciation | 176,745.19 | 175,819.00 | 926.19 | 121,015.94 | 2,086,281.02 | 2,109,828.00 | (23,546.98) | -1.12% | 1,970,121.92 |
| Accounts receivable | (25,138.93) | - | (25,138.93) | 61,089.49 | (103,562.65) | - | (103,562.65) | 100.00% | 172,420.28 |
| Required Building Improvements | (8,783.00) | - | (8,783.00) | (256,171.63) | (830,360.62) | (97,500.00) | (732,860.62) | 751.65% | (649,916.05) |
| Optional Building Improvements | - | - | - | - | (16,212.00) | (932,693.00) | 916,481.00 | 0.00% | - |
| Tenant Improvements | (316,535.82) | (222,860.00) | (93,675.82) | (196,977.94) | (974,316.30) | (1,266,829.00) | 292,512.70 | -23.09% | (491,126.80) |
| Leasing Commission | (81,589.06) | (64,743.00) | (16,846.06) | (71,479.50) | (374,345.54) | (408,080.00) | 33,734.46 | -8.27% | (392,151.41) |
| Notes Receivable | 2,480.58 | 2,464.00 | 16.58 | 2,269.99 | 28,590.19 | 28,398.00 | 192.19 | 0.68% | 39,496.42 |
| Real Estate Tax Escrows | (64,606.67) | (65,942.00) | 1,335.33 | (59,891.03) | (836,728.11) | (787,182.00) | (49,546.11) | 6.29% | (696,467.56) |
| Escrow Fund Release | 463,574.23 | 393,591.00 | 69,983.23 | 435,351.23 | 610,346.63 | 787,182.00 | (176,835.37) | 0.00% | 743,261.83 |
| Accrued Real Estate Taxes | 105,195.66 | 120,020.00 | (14,824.34) | 114,668.97 | 990,492.79 | 1,426,074.00 | (435,581.21) | -30.54% | 980,615.35 |
| Real-estate Tax Payments | (473,776.79) | (948,154.00) | 474,377.21 | (567,936.34) | (796,811.79) | (1,426,074.00) | 629,262.21 | 0.00% | (980,615.35) |
| Accrued Expenses | 68,446.98 | - | 68,446.98 | 472,716.41 | (166,633.29) | - | (166,633.29) | 100.00% | 319,411.86 |
| Minority Interest | - | - | - | - | (1,115.07) | - | (1,115.07) | 100.00% | (715.65) |
| Prepaid Expenses | 9,966.98 | | 9,966.98 | (51,338.64) | (103,413.67) | - | (103,413.67) | 100.00% | (108,957.18) |
| Prepaid Real Estate Taxes | (358,615.57) | | (358,615.57) | (360,232.53) | (21,682.39) | - | (21,682.39) | 100.00% | (11,099.52) |
| Prepaid Insurance | 3,915.46 | | 3,915.46 | 6,582.32 | 18,655.87 | - | 18,655.87 | 100.00% | (699.93) |
| Accounts Payable | 26,745.68 | | 26,745.68 | 145,578.57 | (166,048.42) | - | (166,048.42) | 100.00% | 59,103.42 |
| Security Deposits | 401.00 | | 401.00 | (10,150.00) | 41,224.80 | - | 41,224.80 | 100.00% | 61,917.25 |
| Prepaid RE Tax Income | 1,214.32 | | 1,214.32 | (9,281.97) | 1,214.32 | - | 1,214.32 | 0.00% | 2,546.54 |
| Prepaid Rent Income | 161,095.57 | | 161,095.57 | (5,644.74) | (110,121.80) | - | (110,121.80) | 100.00% | 180,908.16 |
| Deposit on Refinance of Shops at Sumner Place | - | | - | (600,000.00) | - | - | - | 0.00% | - |
| Deferred Loan Charges | - | | - | 30,570.05 | - | - | - | 100.00% | (71,712.11) |
| Deferred Loan Correction | | | | 576,378.00 | | | | | 576,378.00 |
| Unrealized Investment Gain/Loss | 150,831.01 | | 150,831.01 | (159,849.17) | (234,797.75) | - | (234,797.75) | 100.00% | (324,079.94) |
| Acquisition of Investments | 159.04 | | 159.04 | | 9,408.12 | - | 9,408.12 | 100.00% | - |
| Development of 49th Street Lot | - | | - | (1,760.00) | (1,181.50) | - | (1,181.50) | 100.00% | (36,738.61) |

| | September 2014 Actual | September 2014 Budget | September 2014 Variance | September 2013 Prior Year | Year to Date Actual | Year to Date Budget | Year to Date Variance | Variance as a Percentage | Year to Date Prior Year |
|---|--------------------------|--------------------------|----------------------------|------------------------------|------------------------|------------------------|--------------------------|-----------------------------|----------------------------|
| Closing Cost for Refinance | - | | - | | - | - | - | 0.00% | (481,133.75) |
| Prior Tenant Clearing | - | | - | - | - | - | - | 100.00% | 1,525.00 |
| Total Adjustments | \$ (158,274.14) | \$ (609,805.00) | \$ 451,530.86 | \$ (384,492.52) | \$ (951,117.16) | \$ (566,876.00) | \$ (384,241.16) | 67.78% | \$ 862,292.17 |
| Net Cash provided from Operations | \$ 50,036.71 | \$ (122,186.24) | \$ 172,222.95 | \$ 2,659,477.90 | \$ 1,481,429.50 | \$ 2,205,484.82 | \$ (724,055.33) | -32.83% | \$ 5,913,430.64 |
| Increase or (Decrease) in Long Term Debt | \$ (212,103.01) | \$ (212,103.13) | \$ 0.12 | \$ (153,304.23) | \$ (2,420,489.15) | \$ (2,510,530.77) | \$ 90,041.62 | -3.59% | \$ 9,918,733.41 |
| Net Increase (Decrease) in Cash (FREE CASH FLOW) | \$ (162,066.30) | \$ (334,289.37) | \$ 172,223.07 | \$ 2,506,173.67 | \$ (939,059.65) | \$ (305,045.95) | \$ (634,013.71) | 207.84% | \$ 15,832,164.05 |
| Shareholder Distribution | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0.00% | \$ (6,350,000.00) |
| Investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0.00% | \$ (2,500,000.00) |
| Cash Balance at Beginning of Period | \$ 4,823,712.17 | \$ 5,629,948.93 | \$ (806,236.76) | \$ 5,910,673.47 | \$ 5,600,705.52 | \$ 5,600,705.52 | | | \$ 1,434,683.07 |
| Increase (Decrease) in cash during period | \$ (162,066.30) | \$ (334,289.37) | \$ 172,223.07 | \$ 2,506,173.67 | \$ (939,059.65) | \$ (305,045.95) | \$ (634,013.70) | 207.84% | \$ 6,982,164.05 |
| Cash at End of Period | \$ 4,661,645.87 | \$ 5,295,659.56 | \$ (634,013.69) | \$ 8,416,847.12 | \$ 4,661,645.87 | \$ 5,295,659.56 | \$ (634,013.69) | -11.97% | \$ 8,416,847.12 |

W.C. and A.N. Miller Development Company
CONSOLIDATED CASH FLOW STATEMENT
as of September 30, 2014

| | October Actual | November Actual | December Actual | January Actual | February Actual | March Actual | April Actual | May Actual | June Actual | July Actual | August Actual | September Actual | Total Actual 2013/2014 | Total Budget 2013/2014 | Total Actual 2012/2013 | Difference Actual v Budget | Variance |
|---|----------------------|----------------------|-----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|------------------------|---------------------------|---------------------------|---------------------------|-------------------------------|----------|
| Rental Activities | | | | | | | | | | | | | | | | | |
| Rent Income | \$ 1,307,415.96 | \$ 1,284,916.51 | \$ 1,357,423.31 | \$ 1,298,528.13 | \$ 1,276,142.04 | \$ 1,506,899.15 | \$ 1,224,536.85 | \$ 1,301,701.98 | \$ 1,376,097.48 | \$ 1,333,733.45 | \$ 1,419,273.45 | \$ 1,514,051.83 | \$ 16,200,720.14 | \$ 16,678,962.00 | \$ 18,168,204.90 | \$ (478,241.86) | -3% |
| Rent Expenses | \$ (331,178.16) | \$ (315,055.17) | \$ (384,682.16) | \$ (459,991.17) | \$ (309,847.17) | \$ (372,483.66) | \$ (372,322.59) | \$ (360,877.58) | \$ (311,862.57) | \$ (365,471.43) | \$ (370,530.74) | \$ (348,587.97) | \$ (4,302,890.37) | \$ (4,312,688.00) | \$ (4,527,018.29) | \$ 9,797.63 | 0% |
| Real Estate Taxes | \$ (119,679.84) | \$ (119,679.83) | \$ (119,679.84) | \$ (119,679.83) | \$ (119,679.83) | \$ (122,005.34) | \$ (120,067.41) | \$ (120,067.42) | \$ (120,067.43) | \$ (122,476.57) | \$ (122,476.57) | \$ (112,274.03) | \$ (1,437,833.94) | \$ (1,426,074.00) | \$ (1,364,928.19) | \$ (11,759.94) | 1% |
| Amortization/Depreciation | \$ (176,745.19) | \$ (176,745.19) | \$ (176,745.19) | \$ (176,745.19) | \$ (176,745.19) | \$ (176,745.19) | \$ (176,745.19) | \$ (176,745.19) | \$ (176,745.19) | \$ (176,745.19) | \$ (176,745.19) | \$ (176,745.19) | \$ (2,120,942.28) | \$ (2,120,943.00) | \$ (2,074,207.96) | \$ 0.72 | 0% |
| Debt Service - Interest | \$ (379,606.88) | \$ (377,120.07) | \$ (378,589.96) | \$ (378,076.83) | \$ (371,656.44) | \$ (377,035.23) | \$ (404,363.56) | \$ (375,983.77) | \$ (373,505.57) | \$ (374,930.04) | \$ (374,403.16) | \$ (344,627.05) | \$ (4,509,898.56) | \$ (4,513,559.00) | \$ (4,550,553.48) | \$ 3,660.44 | 0% |
| Net Rental Income | \$ 300,205.89 | \$ 296,316.25 | \$ 297,726.16 | \$ 164,035.11 | \$ 298,213.41 | \$ 458,629.73 | \$ 151,038.10 | \$ 268,028.02 | \$ 393,916.72 | \$ 294,110.22 | \$ 375,117.79 | \$ 531,817.59 | \$ 3,829,154.99 | \$ 4,305,698.00 | \$ 5,651,496.98 | \$ (476,543.01) | -11% |
| Revenues | | | | | | | | | | | | | | | | | |
| Sales(Lots and Homes) | | | | | | | | | | | | | | | | | |
| Cost of Sales | | | | | | | | | | | | | | | | | |
| Gross Profit | \$ 300,205.89 | \$ 296,316.25 | \$ 297,726.16 | \$ 164,035.11 | \$ 298,213.41 | \$ 458,629.73 | \$ 151,038.10 | \$ 268,028.02 | \$ 393,916.72 | \$ 294,110.22 | \$ 375,117.79 | \$ 531,817.59 | \$ 3,829,154.99 | \$ 4,305,698.00 | \$ 5,651,496.98 | \$ (476,543.01) | -11% |
| Operating Expenses | | | | | | | | | | | | | | | | | |
| Bank Charges | \$ 161.28 | \$ 170.26 | \$ 108.15 | \$ 168.69 | \$ 166.86 | \$ 156.23 | \$ 158.79 | \$ 162.53 | \$ 138.63 | \$ 156.36 | \$ 163.75 | \$ 175.08 | \$ 1,886.61 | \$ 2,400.00 | \$ 1,478.99 | \$ (513.39) | -21% |
| Management fees investment account | \$ 1,903.91 | \$ 147.49 | \$ 144.19 | \$ 2,064.73 | \$ 149.94 | \$ 140.10 | \$ 2,243.34 | \$ 149.51 | \$ 18.35 | \$ 2,166.89 | \$ 157.34 | \$ 159.04 | \$ 9,444.83 | \$ 7,000.00 | \$ 5,120.45 | \$ 2,444.83 | 35% |
| Computer Consultant | \$ 1,462.50 | \$ 1,531.25 | \$ 1,181.25 | \$ 1,000.00 | \$ 1,000.00 | \$ 2,399.50 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,887.50 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,700.00 | \$ 16,162.00 | \$ 12,000.00 | \$ 16,614.29 | \$ 4,162.00 | 35% |
| Computer Supplies | \$ 25.00 | \$ - | \$ 959.00 | \$ - | \$ - | \$ 145.00 | \$ - | \$ 70.00 | \$ - | \$ - | \$ - | \$ - | \$ 1,199.00 | \$ 3,200.00 | \$ 5,666.97 | \$ (2,001.00) | -63% |
| Executive Compensation | \$ 22,916.67 | \$ 22,916.67 | \$ 38,541.66 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 337,500.00 | \$ 337,500.00 | \$ 275,000.04 | \$ - | 0% |
| Executive Bonus (2012/2013 Fiscal Year) | | | \$ 150,000.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 150,000.00 | \$ 150,000.00 | \$ 100,000.00 | \$ - | 0% |
| Executive Compensation Committee Fees | \$ 9,500.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,002.00 | \$ 11,502.00 | \$ - | \$ - | \$ 11,502.00 | -100% |
| Office Administration | \$ 8,925.00 | \$ 8,925.00 | \$ 18,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 117,100.00 | \$ 107,100.00 | \$ 112,000.00 | \$ 10,000.00 | 9% |
| Payroll Burden | \$ 1,015.05 | \$ 1,015.05 | \$ 4,181.61 | \$ 4,026.82 | \$ 2,834.32 | \$ 2,834.32 | \$ 1,967.32 | \$ 1,369.57 | \$ 1,090.57 | \$ 1,090.57 | \$ 1,090.57 | \$ 1,090.57 | \$ 23,606.34 | \$ 31,500.00 | \$ 22,317.37 | \$ (7,893.66) | -25% |
| Office telephone and internet service | \$ 1,974.75 | \$ 498.82 | \$ 498.51 | \$ 476.64 | \$ 541.62 | \$ 491.90 | \$ 508.95 | \$ 508.95 | \$ 1,151.79 | \$ 525.56 | \$ 415.47 | \$ 552.91 | \$ 8,145.87 | \$ 7,200.00 | \$ 4,517.87 | \$ 945.87 | 13% |
| General Insurance | | \$ 33,651.25 | \$ - | \$ (199.00) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 33,452.25 | \$ 29,000.00 | \$ 28,632.95 | \$ 4,452.25 | 15% |
| Legal - General | \$ 3,236.07 | \$ 7,865.15 | \$ 747.00 | \$ (3,391.25) | \$ - | \$ 114.50 | \$ - | \$ - | \$ - | \$ 75.00 | \$ 2,244.00 | \$ 6,555.00 | \$ 17,445.47 | \$ 60,000.00 | \$ 47,144.50 | \$ (42,554.53) | -71% |
| Legal - Valuation Work | | | | | | | | | | \$ 3,000.00 | | \$ 3,000.00 | \$ 3,000.00 | \$ - | \$ - | \$ 3,000.00 | -100% |
| Legal - Loans/Lenders | | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 24,099.43 | \$ - | -100% |
| Legal- Commercial Leasing | | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,578.00 | | \$ 2,578.00 | \$ - | \$ - | \$ 7,065.00 | \$ 2,578.00 | -100% |
| Legal - Haymount | \$ 8,568.79 | \$ 3,397.07 | \$ 15,242.95 | \$ - | \$ 1,794.77 | \$ 15,832.45 | \$ 6,189.93 | \$ 37,098.16 | \$ 45,012.23 | \$ 14,501.91 | \$ 4,065.95 | \$ 290.50 | \$ 151,994.71 | \$ 60,000.00 | \$ 80,462.10 | \$ 91,994.71 | 153% |
| Benefits | \$ 1,956.10 | \$ 1,872.11 | \$ 1,860.15 | \$ 4,993.24 | \$ 3,663.26 | \$ 3,284.37 | \$ 3,123.47 | \$ 1,476.32 | \$ 2,753.63 | \$ 2,940.37 | \$ 2,825.44 | \$ 2,872.16 | \$ 33,620.62 | \$ 34,000.00 | \$ 33,849.86 | \$ (379.38) | -1% |
| Management Meals | \$ 456.27 | \$ 321.45 | \$ 2,833.36 | \$ 240.83 | \$ 549.71 | \$ 36.49 | \$ 413.74 | \$ 444.19 | \$ 192.39 | \$ 471.68 | \$ 78.55 | \$ 1,034.52 | \$ 7,073.18 | \$ 6,900.00 | \$ 5,602.96 | \$ 173.18 | 3% |
| Offices Supplies | \$ 567.89 | \$ 1,000.47 | \$ 7,981.65 | \$ 1,055.72 | \$ 2,051.11 | \$ 215.97 | \$ 223.35 | \$ 615.03 | \$ 32.34 | \$ 327.87 | \$ 656.42 | \$ 683.22 | \$ 15,411.04 | \$ 7,200.00 | \$ 12,453.31 | \$ 8,211.04 | 114% |
| Other Taxes and Licenses | \$ 42.50 | \$ - | \$ 794.35 | \$ - | \$ 200.00 | \$ - | \$ - | \$ - | \$ 700.00 | \$ - | \$ - | \$ 60,771.87 | \$ 62,508.72 | \$ 1,600.00 | \$ 3,856.41 | \$ 60,908.72 | 3807% |
| Estimated Taxes (Federal & State) | | | \$ - | \$ 17,565.00 | \$ - | \$ 17,565.00 | \$ 0 | \$ - | \$ 17,565.00 | \$ - | \$ - | \$ 17,565.00 | \$ 70,260.00 | \$ 70,260.00 | \$ - | \$ - | 0% |
| Other Real Estate Taxes | | | \$ 2,799.72 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,227.46 | \$ - | \$ - | \$ - | \$ 6,027.18 | \$ 6,600.00 | \$ 5,565.78 | \$ (572.82) | -9% |
| Postage | \$ 422.42 | \$ 807.07 | \$ 593.78 | \$ 322.17 | \$ 196.81 | \$ 122.52 | \$ 131.76 | \$ 138.05 | \$ 113.25 | \$ 232.96 | \$ 96.00 | \$ 286.20 | \$ 3,462.99 | \$ 4,500.00 | \$ 3,251.85 | \$ (1,037.01) | -23% |
| Accounting | \$ - | \$ - | \$ 160.00 | \$ 2,790.00 | \$ - | \$ - | \$ 1,616.50 | \$ - | \$ 2,382.50 | \$ 900.00 | \$ - | \$ 640.00 | \$ 8,489.00 | \$ 14,400.00 | \$ 10,071.50 | \$ (5,911.00) | -41% |
| Promotion & Entertainment | \$ - | \$ 249.44 | \$ - | \$ 261.48 | \$ - | \$ - | \$ - | \$ 3,905.00 | \$ - | \$ 432.78 | \$ 119.99 | \$ - | \$ 4,968.69 | \$ 4,200.00 | \$ 39,569.12 | \$ 768.69 | 18% |
| Internal Control Audit/Review | | | \$ 3,725.60 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,725.60 | \$ 6,000.00 | \$ 3,385.00 | \$ (2,274.40) | -38% |
| Audit and Tax Returns | | | \$ 55,517.40 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 55,517.40 | \$ 57,000.00 | \$ 43,075.00 | \$ (1,482.60) | -3% |
| Rent | \$ 8,886.68 | \$ 8,886.68 | \$ 8,886.68 | \$ 8,886.68 | \$ 9,816.35 | \$ 9,196.57 | \$ 9,072.53 | \$ 9,196.57 | \$ 9,196.57 | \$ 9,196.57 | \$ 9,196.57 | \$ 9,196.57 | \$ 109,615.02 | \$ 108,000.00 | \$ 12,050.00 | \$ 1,615.02 | 1% |
| Cell phones and mobile devices | \$ 478.03 | \$ 730.50 | \$ 1,013.43 | \$ 537.19 | \$ 536.74 | \$ 534.96 | \$ 537.19 | \$ 525.89 | \$ 893.46 | \$ 449.59 | \$ 847.18 | \$ 280.21 | \$ 6,507.13 | \$ 9,000.00 | \$ 7,119.73 | \$ (2,492.87) | -28% |
| Management Travel | \$ 3,045.92 | \$ 2,988.37 | \$ 371.82 | \$ 1,278.19 | \$ 5,302.97 | \$ 646.64 | \$ 558.99 | \$ 1,243.28 | \$ 1,181.96 | \$ (194.91) | \$ 404.74 | \$ 2,050.39 | \$ 18,878.36 | \$ 42,000.00 | \$ 25,544.75 | \$ (23,121.64) | -55% |
| Payroll Processing Fees | \$ 329.08 | \$ 329.08 | \$ 704.36 | \$ 400.58 | \$ 329.08 | \$ 346.08 | \$ 329.08 | \$ 334.58 | \$ 357.08 | \$ 340.08 | \$ 340.08 | \$ 357.08 | \$ 4,496.24 | \$ 4,800.00 | \$ 4,498.02 | \$ (303.76) | -6% |
| Costs associated with Sale of Property | \$ - | | | | \$ - | \$ 331.34 | \$ - | \$ - | \$ - | \$ - | \$ 300.00 | \$ - | \$ 631.34 | \$ - | \$ - | \$ 631.34 | -100% |
| Board of Directors Fees | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 216,000.00 | \$ 216,000.00 | \$ 222,000.00 | \$ - | 0% |
| Shareholders Annual Meeting | | | \$ - | \$ - | \$ 794.70 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 794.70 | \$ 2,000.00 | \$ 1,210.66 | \$ (1,205.30) | -60% |
| Board Travel and Meals | | \$ 6,941.10 | \$ - | \$ - | \$ 8,476.90 | \$ 1,160.60 | \$ - | \$ - | \$ - | \$ 7,044.19 | \$ - | \$ - | \$ 23,622.79 | \$ 30,000.00 | \$ 33,905.16 | \$ (6,377.21) | -21% |
| House Plans for Neighbors | | | \$ (164.70) | \$ (180.60) | \$ - | \$ (57.65) | \$ (300.00) | \$ - | \$ 155.18 | \$ (300.00) | \$ - | \$ 37.37 | \$ (810.40) | \$ - | \$ - | \$ (810.40) | -100% |
| Charitable Contributions | \$ - | \$ 1,000.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,000.00 | \$ - | \$ - | \$ 1,250.00 | \$ 3,250.00 | \$ 2,000.00 | \$ 11,800.00 | \$ 1,250.00 | 63% |
| Total Operating Expenses | \$ 93,873.91 | \$ 123,244.28 | \$ 335,606.92 | \$ 96,489.87 | \$ 93,455.14 | \$ 110,546.89 | \$ 82,824.94 | \$ 113,287.63 | \$ 144,099.89 | \$ 101,985.47 | \$ 79,052.05 | \$ 164,599.69 | \$ 1,539,066.68 | \$ 1,433,360.00 | \$ 1,208,929.07 | \$ 105,706.68 | 7% |
| Net Operating Income | \$ 206,331.98 | \$ 173,071.97 | \$ (37,880.76) | \$ 67,545.24 | \$ 204,758.27 | \$ 348,082.84 | \$ 68,213.16 | \$ 154,740.39 | \$ 249,816.83 | \$ 192,124.75 | \$ 296,065.74 | \$ 367,217.90 | \$ 2,290,088.31 | \$ 2,872,338.00 | \$ 4,442,567.91 | \$ (582,249.69) | -20% |
| Other Income and Expenses | | | | | | | | | | | | | | | | | |
| Miscellaneous Income | | \$ 7,465.00 | \$ - | | | | | | \$ 1,000.00 | | | \$ 8,465.00 | \$ - | \$ - | \$ 64,427.04 | \$ 8,465.00 | -100% |
| Investment Dividend Income | \$ 0.29 | \$ 0.20 | \$ - | \$ - | \$ - | \$ 36.22 | \$ 36.22 | | \$ (36.22) | \$ (36.71) | | \$ - | \$ 46.40 | \$ - | \$ - | \$ - | 0% |
| Accrued Interest on HLP LOC | | | \$ - | \$ - | \$ - | | | | | | | \$ - | \$ - | \$ 256,862.61 | \$ - | \$ 0% | |
| Defererred Tax Expense | | | \$ - | \$ - | \$ - | | | | | | | \$ - | \$ - | \$ 173,350.00 | \$ - | \$ 0% | |
| Gain/Loss Sale of Asset | | | \$ - | \$ - | \$ - | | | | | | | \$ - | \$ - | \$ (117,125.38) | \$ - | \$ 0% | |
| Unrealized Investment (Gain)/Loss | \$ 105,840.03 | \$ 66,365.32 | \$ 64,501.13 | \$ (108,760.28) | \$ 140,564.92 | \$ 29,080.08 | \$ 15,842.43 | \$ 38,260.00 | \$ 49,648.13 | \$ (94,033.80) | \$ 78,357.51 | \$ (150,831.01) | \$ 234,834.46 | \$ - | \$ 329,154.00 | \$ 234,834.46 | -100% |
| Debt Service Interest (Other) | \$ - | \$ (10,758.22) | \$ (10,535.11) | \$ (10,311.44) | \$ (10,087.23) | \$ (10,464.37) | \$ (10,242.41) | \$ (10,019.88) | \$ (9,796.79) | \$ (9,573.17) | \$ (5,686.64) | \$ (8,501.91) | \$ (105,977.19) | \$ (103,288.67) | \$ 0.02 | \$ 0% | |
| Interest Income | \$ 443.84 | \$ 425.56 | \$ 441.51 | \$ 434.47 | \$ 392.47 | \$ 434.58 | \$ 420.63 | \$ 430.69 | \$ 424.76 | \$ 434.83 | \$ 426.85 | \$ 425.87 | \$ 5,136.06 | \$ 6,000.00 | \$ 6,254.56 | \$ (863.94) | -14% |
| Total Other Income and Expenses | \$ 106,284.16 | \$ 63,497.86 | \$ 54,407.53 | \$ (118,637.25) | \$ 130,870.16 | \$ 19,086.51 | \$ 6,056.87 | \$ 28,670.81 | \$ 40,239.88 | \$ (102,208.85) | \$ 73,097.72 | \$ (158,907.05) | \$ 142,458. | | | | |

W.C. and A.N. Miller Development Company
CONSOLIDATED CASH FLOW STATEMENT
as of September 30, 2014

| | October Actual | November Actual | December Actual | January Actual | February Actual | March Actual | April Actual | May Actual | June Actual | July Actual | August Actual | September Actual | Total Actual 2013/2014 | Total Budget 2013/2014 | Total Actual 2012/2013 | Difference Actual v Budget | Variance |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|---------------------------|-------------------------------|----------|
| Adjustments to reconcile net income to net cash provided by Operations | | | | | | | | | | | | | | | | | |
| Amortization/Depreciation | \$ 176,745.19 | \$ 176,224.09 | \$ 165,752.21 | \$ 174,188.37 | \$ 176,745.19 | \$ 176,333.66 | \$ 176,745.19 | \$ 176,745.19 | \$ 171,033.53 | \$ 160,848.19 | \$ 176,745.19 | \$ 176,745.19 | \$ 2,084,851.19 | \$ 2,109,828.00 | \$ 1,866,757.30 | \$ (24,976.81) | |
| Accounts receivable | \$ (33,988.97) | \$ (9,363.19) | \$ (171,442.05) | \$ 152,617.60 | \$ 78,790.57 | \$ (187,818.47) | \$ 217,965.12 | \$ (5,798.14) | \$ (11,617.08) | \$ 4,507.95 | \$ (110,847.23) | \$ (25,138.93) | \$ (102,132.82) | \$ - | \$ (2,234,696.38) | \$ (102,132.82) | |
| Required Building Improvements | \$ (129.90) | \$ (56,111.25) | \$ (299,516.19) | \$ (51,116.35) | \$ (304,887.19) | \$ (56,675.44) | \$ (14,670.88) | \$ - | \$ (3,501.92) | \$ (29,318.50) | \$ (5,650.00) | \$ (8,783.00) | \$ (830,360.62) | \$ (97,500.00) | \$ (694,281.81) | \$ (732,860.62) | |
| Optional Building Improvements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (16,212.00) | \$ - | \$ - | \$ - | \$ - | \$ (16,212.00) | \$ (932,693.00) | \$ - | \$ 916,481.00 | |
| Tenant Improvements | \$ (5,646.07) | \$ (81,966.16) | \$ (166,174.69) | \$ (37,256.25) | \$ 144,625.93 | \$ (119,117.19) | \$ (41,521.35) | \$ (29,914.25) | \$ 11,894.42 | \$ (255,892.66) | \$ (76,812.21) | \$ (316,535.82) | \$ (974,316.30) | \$ (1,266,829.00) | \$ (386,264.74) | \$ 292,512.70 | |
| Leasing Commission | \$ - | \$ (3,622.40) | \$ (30,289.44) | \$ (99,023.01) | \$ (27,798.28) | \$ (37,561.00) | \$ (46,889.34) | \$ (17,903.18) | \$ (8,229.59) | \$ (13,006.17) | \$ (8,434.07) | \$ (81,589.06) | \$ (374,345.54) | \$ (408,080.00) | \$ (308,508.79) | \$ 33,734.46 | |
| Notes Receivable | \$ 2,286.84 | \$ 2,303.81 | \$ 2,320.90 | \$ 2,338.12 | \$ 2,355.47 | \$ 2,372.95 | \$ 2,390.56 | \$ 2,408.30 | \$ 2,426.17 | \$ 2,444.18 | \$ 2,462.31 | \$ 2,480.58 | \$ 28,590.19 | \$ 28,398.00 | \$ 39,496.42 | \$ 192.19 | |
| Real Estate Tax Escrows | \$ (59,873.42) | \$ (60,177.80) | \$ (80,310.56) | \$ (80,317.89) | \$ (80,325.07) | \$ (64,603.65) | \$ (64,599.53) | \$ (64,585.19) | \$ (64,590.61) | \$ (88,142.79) | \$ (64,606.67) | \$ (836,728.11) | \$ (836,728.11) | \$ (787,182.00) | \$ (261,116.33) | \$ (49,546.11) | |
| Escrow Fund Release | | | \$ - | \$ - | \$ 146,772.40 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 463,574.23 | \$ 610,346.63 | \$ 787,182.00 | \$ 307,910.60 | \$ (176,835.37) | |
| Accrued Real Estate Taxes | \$ 79,654.00 | \$ 79,654.00 | \$ 79,654.00 | \$ 79,654.00 | \$ 79,654.00 | \$ 118,446.00 | \$ 80,041.58 | \$ 80,041.58 | \$ 80,041.58 | \$ 122,476.57 | \$ 5,979.82 | \$ 105,195.66 | \$ 990,492.79 | \$ 1,426,074.00 | \$ 412,679.00 | \$ (435,581.21) | |
| Real-estate Tax Payments | | | | | \$ (323,035.00) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (473,776.79) | \$ (796,811.79) | \$ (1,426,074.00) | \$ (412,679.00) | \$ 629,262.21 | | |
| Accrued Expenses | \$ (113,629.41) | \$ 129,714.52 | \$ (7,917.29) | \$ 64,889.16 | \$ (216,388.88) | \$ (1,495.67) | \$ (50,439.17) | \$ (125,580.07) | \$ (135,579.35) | \$ 241,858.93 | \$ (20,513.04) | \$ 68,446.98 | \$ (166,633.29) | | \$ 193,166.62 | \$ (166,633.29) | |
| Minority Interest | \$ (179.97) | \$ (3.75) | \$ (213.84) | \$ - | \$ - | \$ - | \$ (163.50) | \$ - | \$ (554.01) | \$ - | \$ - | \$ - | \$ (1,115.07) | | \$ (257,574.18) | \$ (1,115.07) | |
| Prepaid Expenses | \$ (130,892.51) | \$ 16,489.47 | \$ 6,096.98 | \$ 30,739.70 | \$ (26,845.57) | \$ 351.99 | \$ 371.00 | \$ 626.40 | \$ (672.12) | \$ (17,074.85) | \$ 7,428.86 | \$ 9,966.98 | \$ (103,413.67) | | \$ (180,073.45) | \$ (103,413.67) | |
| Prepaid Real Estate Taxes | \$ 40,025.84 | \$ 40,025.83 | \$ 40,025.84 | \$ 40,025.83 | \$ 40,025.83 | \$ 40,025.84 | \$ 40,025.83 | \$ 40,025.84 | \$ 40,025.85 | \$ - | \$ (23,299.35) | \$ (358,615.57) | \$ (21,682.39) | | \$ (11,137.86) | \$ (21,682.39) | |
| Prepaid Insurance | \$ 6,393.50 | \$ 6,613.78 | \$ 6,613.78 | \$ 6,613.79 | \$ 6,613.78 | \$ 5,841.07 | \$ 6,607.86 | \$ (42,303.54) | \$ 3,915.46 | \$ 3,915.46 | \$ 3,915.47 | \$ 3,915.46 | \$ 18,655.87 | | \$ (6,429.29) | \$ 18,655.87 | |
| Accounts Payable | \$ (20,032.78) | \$ (29,458.28) | \$ (113,224.71) | \$ (57,525.63) | \$ 30,841.08 | \$ (1,503.02) | \$ (6,679.00) | \$ 37,471.16 | \$ 14,687.73 | \$ (23,758.87) | \$ (23,611.78) | \$ 26,745.68 | \$ (166,048.42) | | \$ 99,058.36 | \$ (166,048.42) | |
| Security Deposits | \$ (2,511.67) | \$ 1,720.00 | \$ (8,966.75) | \$ 2,219.67 | \$ 1,500.00 | \$ 1,171.04 | \$ 31,515.22 | \$ (1,081.55) | \$ 10,194.59 | \$ 3,313.25 | \$ 1,750.00 | \$ 401.00 | \$ 41,224.80 | | \$ 64,806.30 | \$ 41,224.80 | |
| Prepaid RE Tax Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,214.32 | \$ 1,214.32 | | \$ 2,546.54 | \$ 1,214.32 | |
| Prepaid Rent Income | \$ (50,116.64) | \$ (121,342.33) | \$ 140,755.89 | \$ 75,453.69 | \$ (95,523.54) | \$ (153,665.35) | \$ 124,925.27 | \$ (14,362.95) | \$ (62,516.61) | \$ 65,194.53 | \$ (180,019.33) | \$ 161,095.57 | \$ (110,121.80) | | \$ 180,908.16 | \$ (110,121.80) | |
| Deposit on Refinance of Shops at Sumner Place | | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ 600,000.00 | \$ - | |
| Deferred Loan Charges | | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ (73,768.98) | \$ - | |
| Unrealized Investment Gain/Loss | \$ (105,840.03) | \$ (66,365.32) | \$ (64,501.13) | \$ 108,760.28 | \$ (140,564.92) | \$ (29,080.08) | \$ (15,842.43) | \$ (38,260.00) | \$ (49,648.13) | \$ 94,070.51 | \$ (78,357.51) | \$ 150,831.01 | \$ (234,797.75) | | \$ (324,079.95) | \$ (234,797.75) | |
| Acquisition of Investments | \$ 1,903.62 | \$ 147.29 | \$ 144.19 | \$ 2,064.73 | \$ 149.94 | \$ 103.88 | \$ 2,207.12 | \$ 149.51 | \$ 54.57 | \$ 2,166.89 | \$ 157.34 | \$ 159.04 | \$ 9,408.12 | | \$ - | \$ 9,408.12 | |
| Development of 49th Street Lot | \$ - | \$ - | \$ (973.00) | \$ - | \$ - | \$ - | \$ - | \$ (208.50) | \$ - | \$ - | \$ - | \$ - | \$ (1,181.50) | | \$ - | \$ (1,181.50) | |
| Closing Cost for Refinance | | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ (481,133.75) | \$ - | |
| Prior Tenant Clearing | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (1,525.00) | \$ - | |
| Total Adjustments | \$ (215,832.38) | \$ 24,482.31 | \$ (502,165.86) | \$ 414,325.81 | \$ (331,031.66) | \$ (483,136.04) | \$ 441,989.55 | \$ (18,741.39) | \$ (2,635.52) | \$ 297,150.48 | \$ (417,248.32) | \$ (158,274.14) | \$ (951,117.16) | \$ (566,876.00) | \$ (1,865,940.21) | \$ (384,241.16) | |
| Net Cash provided from Operations | \$ 96,783.76 | \$ 261,052.14 | \$ (485,639.09) | \$ 363,233.80 | \$ 4,596.77 | \$ (115,966.69) | \$ 516,259.58 | \$ 164,669.81 | \$ 287,421.19 | \$ 387,066.38 | \$ (48,084.86) | \$ 50,036.71 | \$ 1,481,429.50 | \$ 2,205,484.81 | \$ 3,186,308.26 | \$ (724,055.31) | |
| Cash Flows from Financing Activities | | | | | | | | | | | | | | | | | |
| Cardinal Bank (Spring Valley Retail) | \$ 16,424,264.53 | \$ 16,399,634.98 | \$ 16,372,931.55 | \$ 16,348,112.94 | \$ 16,323,198.13 | \$ 16,292,281.88 | \$ 16,267,165.41 | \$ 16,239,981.77 | \$ 16,214,661.93 | \$ 16,187,291.03 | \$ 16,161,773.81 | \$ 16,136,161.01 | | | | | |
| Guardian Life (Shops at Sumner Place) | \$ 29,523,221.42 | \$ 29,478,988.70 | \$ 29,434,605.59 | \$ 29,390,071.58 | \$ 29,345,386.15 | \$ 29,300,548.79 | \$ 29,255,558.99 | \$ 29,210,416.22 | \$ 29,165,119.97 | \$ 29,119,669.71 | \$ 29,074,064.92 | \$ 29,028,305.07 | | | | | |
| Key Bank Loan (Sumner Highland Apt) | \$ 16,972,548.29 | \$ 16,949,472.01 | \$ 16,926,271.31 | \$ 16,902,945.52 | \$ 16,879,493.97 | \$ 16,855,915.97 | \$ 16,832,210.85 | \$ 16,808,377.92 | \$ 16,784,416.49 | \$ 16,760,325.87 | \$ 16,736,105.36 | \$ 16,711,754.26 | | | | | |
| Teachers Loan (Spring Valley Office) | \$ 21,307,822.90 | \$ 21,284,367.08 | \$ 21,260,772.48 | \$ 21,237,038.27 | \$ 21,213,163.64 | \$ 21,189,147.75 | \$ 21,164,989.76 | \$ 21,140,688.84 | \$ 21,116,244.14 | \$ 21,091,654.81 | \$ 21,066,919.99 | \$ 21,042,038.82 | | | | | |
| Promissory Notes | \$ 4,303,288.67 | \$ 4,214,046.89 | \$ 4,124,582.00 | \$ 4,034,893.41 | \$ 3,944,980.64 | \$ 3,855,445.01 | \$ 3,765,687.42 | \$ 3,675,707.30 | \$ 3,585,504.09 | \$ 3,495,077.26 | \$ 3,400,763.90 | \$ 3,309,265.81 | | | | | |
| Haymount Mezz | \$ 8,250,229.83 | \$ 8,250,229.83 | \$ 8,250,229.83 | \$ 8,250,229.83 | \$ 8,250,229.83 | \$ 8,250,229.83 | \$ 8,250,229.83 | \$ 8,250,229.83 | \$ 8,250,229.83 | \$ 8,250,229.83 | \$ 8,250,229.83 | \$ 8,250,229.83 | | | | | |
| Total Long Term Debt | \$ 96,781,375.64 | \$ 96,576,739.49 | \$ 96,369,392.76 | \$ 96,163,291.55 | \$ 95,956,452.36 | \$ 95,743,569.23 | \$ 95,535,842.26 | \$ 95,325,401.88 | \$ 95,116,176.45 | \$ 94,904,248.51 | \$ 94,689,857.81 | \$ 94,477,754.80 | | | | | |
| Increase or (Decrease) in Long Term Debt | \$ (116,868.31) | \$ (204,636.15) | \$ (207,346.73) | \$ (206,101.21) | \$ (206,839.19) | \$ (212,883.13) | \$ (207,726.97) | \$ (210,440.38) | \$ (209,225.43) | \$ (211,927.94) | \$ (214,390.70) | \$ (212,103.01) | \$ (2,420,489.15) | \$ (2,510,530.77) | \$ 9,829,714.19 | \$ (4,931,019.92) | |
| Net Increase (Decrease) in Cash (FREE CASH FLOW) | \$ (20,084.55) | \$ 56,415.99 | \$ (692,985.82) | \$ 157,132.59 | \$ (202,242.42) | \$ (328,849.82) | \$ 308,532.61 | \$ (45,770.57) | \$ 78,195.76 | \$ 175,138.44 | \$ (262,475.56) | \$ (162,066.30) | \$ (939,059.65) | \$ (305,045.96) | \$ 13,016,022.45 | \$ (634,013.69) | |
| Shareholder Payments | \$ - | \$ - | | | | | | | | | | | \$ - | \$ - | \$ (6,350,000.00) | \$ (6,350,000.00) | |
| Investments | \$ - | \$ - | | | | | | | | | | | \$ - | \$ - | \$ (2,500,000.00) | \$ (2,500,000.00) | |
| Cash Balance at Beginning of Period | \$ 5,600,705.52 | \$ 5,580,620.97 | \$ 5,637,036.96 | \$ 4,944,051.14 | \$ 5,101,183.73 | \$ 4,898,941.31 | \$ 4,570,091.49 | \$ 4,878,624.10 | \$ 4,832,853.53 | \$ 4,911,049.29 | \$ 5,086,187.73 | \$ 4,823,712.17 | \$ 5,600,705.52 | \$ 5,600,705.52 | \$ 1,434,683.07 | \$ - | |
| Increase (Decrease) in cash during period | \$ (20,084.55) | \$ 56,415.99 | \$ (692,985.82) | \$ 157,132.59 | \$ (202,242.42) | \$ (328,849.82) | \$ 308,532.61 | \$ (45,770.57) | \$ 78,195.76 | \$ 175,138.44 | \$ (262,475.56) | \$ (162,066.30) | \$ (939,059.65) | \$ (305,045.96) | \$ 4,166,022.45 | \$ (634,013.69) | |
| Cash at End of Period | \$ 5,580,620.97 | \$ 5,637,036.96 | \$ 4,944,051.14 | \$ 5,101,183.73 | \$ 4,898,941.31 | \$ 4,570,091.49 | \$ 4,878,624.10 | \$ 4,832,853.53 | \$ 4,911,049.29 | \$ 5,086,187.73 | \$ 4,823,712.17 | \$ 4,661,645.87 | \$ 4,661,645.87 | \$ 5,295,659.56 | \$ 5,600,705.52 | \$ (634,013.69) | |

W.C. and A.N. Miller Development Company
2013/2014 Budget
CONSOLIDATED CASH FLOW STATEMENT

| | October Budget | November Budget | December Budget | January Budget | February Budget | March Budget | April Budget | May Budget | June Budget | July Budget | August Budget | September Budget | Total Budget 2013/2014 | Total Actual 2012/2013 | Difference Budget v Actual | Variance |
|---|----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------|---------------------------|-------------------------------|----------|
| Rental Activities | | | | | | | | | | | | | | | | |
| Rent Income | \$ 1,330,811.00 | \$ 1,328,728.00 | \$ 1,311,711.00 | \$ 1,315,781.00 | \$ 1,347,014.00 | \$ 1,540,545.00 | \$ 1,342,803.00 | \$ 1,349,018.00 | \$ 1,423,536.00 | \$ 1,392,452.00 | \$ 1,391,383.00 | \$ 1,605,180.00 | \$ 16,678,962.00 | \$ 18,168,204.90 | \$ (1,489,242.90) | -8% |
| Rent Expenses | \$ (353,235.00) | \$ (383,500.00) | \$ (393,303.00) | \$ (369,917.00) | \$ (380,267.00) | \$ (366,576.00) | \$ (356,739.00) | \$ (343,214.00) | \$ (327,612.00) | \$ (347,259.00) | \$ (354,304.00) | \$ (336,762.00) | \$ (4,312,688.00) | \$ (4,527,018.29) | \$ 214,330.29 | -5% |
| Real Estate Taxes | \$ (118,446.00) | \$ (118,446.00) | \$ (118,446.00) | \$ (118,446.00) | \$ (118,446.00) | \$ (118,446.00) | \$ (118,446.00) | \$ (118,446.00) | \$ (118,446.00) | \$ (120,020.00) | \$ (120,020.00) | \$ (120,020.00) | \$ (1,426,074.00) | \$ (1,364,928.19) | \$ (61,145.81) | 4% |
| Amortization/Depreciation | \$ (176,745.00) | \$ (176,745.00) | \$ (176,746.00) | \$ (176,745.00) | \$ (176,745.00) | \$ (176,744.00) | \$ (176,745.00) | \$ (176,746.00) | \$ (176,742.00) | \$ (176,745.00) | \$ (176,744.00) | \$ (176,751.00) | \$ (2,120,943.00) | \$ (2,074,207.96) | \$ (46,735.04) | 2% |
| Debt Service - Interest | \$ (378,129.00) | \$ (379,607.00) | \$ (377,120.00) | \$ (378,587.00) | \$ (378,077.00) | \$ (371,647.00) | \$ (377,028.00) | \$ (374,545.00) | \$ (375,984.00) | \$ (373,502.00) | \$ (374,930.00) | \$ (374,403.00) | \$ (4,513,559.00) | \$ (4,550,553.48) | \$ 36,994.48 | -1% |
| Net Rental Income | \$ 304,256.00 | \$ 270,430.00 | \$ 246,096.00 | \$ 272,086.00 | \$ 293,479.00 | \$ 507,132.00 | \$ 313,845.00 | \$ 336,067.00 | \$ 424,752.00 | \$ 374,926.00 | \$ 365,385.00 | \$ 597,244.00 | \$ 4,305,698.00 | \$ 5,651,496.98 | \$ (1,345,798.98) | -24% |
| Revenues | | | | | | | | | | | | | | | | |
| Sales(Lots and Homes) | | | | | | | | | | | | | | | | |
| Cost of Sales | | | | | | | | | | | | | | | | |
| Gross Profit | \$ 304,256.00 | \$ 270,430.00 | \$ 246,096.00 | \$ 272,086.00 | \$ 293,479.00 | \$ 507,132.00 | \$ 313,845.00 | \$ 336,067.00 | \$ 424,752.00 | \$ 374,926.00 | \$ 365,385.00 | \$ 597,244.00 | \$ 4,305,698.00 | \$ 5,651,496.98 | \$ (1,345,798.98) | -24% |
| Operating Expenses | | | | | | | | | | | | | | | | |
| Bank Charges | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 2,400.00 | \$ 1,478.99 | \$ 921.01 | 62% |
| Management fee' investment account | \$ 1,750.00 | | | \$ 1,750.00 | | | \$ 1,750.00 | | | \$ 1,750.00 | | | \$ 7,000.00 | \$ 5,120.45 | \$ 1,879.55 | 37% |
| Computer Consultant | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 12,000.00 | \$ 16,614.29 | \$ (4,614.29) | -28% |
| Computer Supplies | \$ 200.00 | \$ 200.00 | \$ 1,000.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 3,200.00 | \$ 5,666.97 | \$ (2,466.97) | -44% |
| Executive Compensation | \$ 22,916.67 | \$ 22,916.67 | \$ 38,541.66 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 28,125.00 | \$ 337,500.00 | \$ 275,000.04 | \$ 62,499.96 | 23% |
| Executive Bonus (2012/2013 Fiscal Year) | | | \$ 150,000.00 | | | | | | | | | | \$ 150,000.00 | \$ 100,000.00 | \$ 50,000.00 | 50% |
| Office Administration | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 8,925.00 | \$ 107,100.00 | \$ 112,000.00 | \$ (4,900.00) | -4% |
| Payroll Burden | \$ 2,500.00 | \$ 2,500.00 | \$ 4,000.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 31,500.00 | \$ 22,317.37 | \$ 9,182.63 | 41% |
| Office telephone and internet service | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 7,200.00 | \$ 4,517.87 | \$ 2,682.13 | 59% |
| General Insurance | | \$ 29,000.00 | | | | | | | | | | | \$ 29,000.00 | \$ 28,632.95 | \$ 367.05 | 1% |
| Legal - General | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 60,000.00 | \$ 47,144.50 | \$ 12,855.50 | 27% |
| Legal - Loans/Lenders | | | | | | | | | | | | | \$ - | \$ 24,099.43 | \$ (24,099.43) | -100% |
| Legal- Commercial Leasing | | | | | | | | | | | | | \$ - | \$ 7,065.00 | \$ (7,065.00) | -100% |
| Legal - Haymount | | \$ 20,000.00 | | \$ 20,000.00 | | | \$ 20,000.00 | | | \$ 20,000.00 | | | \$ 60,000.00 | \$ 80,462.10 | \$ (20,462.10) | -25% |
| Benefits | \$ 2,833.33 | \$ 2,833.33 | \$ 2,833.33 | \$ 2,833.33 | \$ 2,833.33 | \$ 2,833.33 | \$ 2,833.33 | \$ 2,833.33 | \$ 2,833.33 | \$ 2,833.33 | \$ 2,833.33 | \$ 2,833.33 | \$ 34,000.00 | \$ 33,849.86 | \$ 150.14 | 0% |
| Management Meals | \$ 500.00 | \$ 500.00 | \$ 1,400.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 6,900.00 | \$ 5,602.96 | \$ 1,297.04 | 23% |
| Offices Supplies | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 7,200.00 | \$ 12,453.31 | \$ (5,253.31) | -42% |
| Other Taxes and Licenses | | | \$ 500.00 | | \$ 200.00 | | \$ 300.00 | \$ 600.00 | | | | | \$ 1,600.00 | \$ 3,856.41 | \$ (2,256.41) | -59% |
| Estimated Taxes (Federal & State) | | | | \$ 17,565.00 | | \$ 17,565.00 | | | \$ 17,565.00 | | | \$ 17,565.00 | \$ 70,260.00 | \$ - | \$ 70,260.00 | -100% |
| Other Real Estate Taxes | | | \$ 3,300.00 | | | | | | \$ 3,300.00 | | | | \$ 6,600.00 | \$ 5,565.78 | \$ 1,034.22 | 19% |
| Postage | \$ 375.00 | \$ 375.00 | \$ 375.00 | \$ 375.00 | \$ 375.00 | \$ 375.00 | \$ 375.00 | \$ 375.00 | \$ 375.00 | \$ 375.00 | \$ 375.00 | \$ 375.00 | \$ 4,500.00 | \$ 3,251.85 | \$ 1,248.15 | 38% |
| Accounting | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 | \$ 14,400.00 | \$ 10,071.50 | \$ 4,328.50 | 43% |
| Promotion & Entertainment | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 4,200.00 | \$ 39,569.12 | \$ (35,369.12) | -89% |
| Internal Control Audit/Review | | | \$ 6,000.00 | | | | | | | | | | \$ 6,000.00 | \$ 3,385.00 | \$ 2,615.00 | 77% |
| Audit and Tax Returns | | | \$ 57,000.00 | | | | | | | | | | \$ 57,000.00 | \$ 43,075.00 | \$ 13,925.00 | 32% |
| Rent | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 | \$ 108,000.00 | \$ 12,050.00 | \$ 95,950.00 | 796% |
| Cell phones and mobile devices | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 9,000.00 | \$ 7,119.73 | \$ 1,880.27 | 26% |
| Management Travel | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 42,000.00 | \$ 25,544.75 | \$ 16,455.25 | 64% |
| Payroll Processing Fees | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 4,800.00 | \$ 4,498.02 | \$ 301.98 | 7% |
| Board of Directors Fees | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ 216,000.00 | \$ 222,000.00 | \$ (6,000.00) | -3% |
| Shareholders Annual Meeting | | | | \$ 2,000.00 | | | | | | | | | \$ 2,000.00 | \$ 1,210.66 | \$ 789.34 | 65% |
| Board Travel and Meals | | \$ 10,000.00 | | | \$ 10,000.00 | | | \$ 10,000.00 | | | | | \$ 30,000.00 | \$ 33,905.16 | \$ (3,905.16) | -12% |
| Charitable Contributions | \$ 500.00 | \$ - | \$ - | \$ 500.00 | \$ - | \$ - | \$ 500.00 | \$ - | \$ - | \$ 500.00 | \$ - | \$ - | \$ 2,000.00 | \$ 11,800.00 | \$ (9,800.00) | -83% |
| Total Operating Expenses | \$ 81,100.00 | \$ 137,850.00 | \$ 314,474.99 | \$ 105,873.33 | \$ 114,258.33 | \$ 101,623.33 | \$ 86,608.33 | \$ 104,658.33 | \$ 114,923.33 | \$ 86,308.33 | \$ 84,058.33 | \$ 101,623.33 | \$ 1,433,360.00 | \$ 1,208,929.07 | \$ 224,430.93 | 19% |
| Net Operating Income | \$ 223,156.00 | \$ 132,580.00 | \$ (68,378.99) | \$ 166,212.67 | \$ 179,220.67 | \$ 405,508.67 | \$ 227,236.67 | \$ 231,408.67 | \$ 309,828.67 | \$ 288,617.67 | \$ 281,326.67 | \$ 495,620.67 | \$ 2,872,338.00 | \$ 4,442,567.91 | \$ (1,570,229.91) | -35% |
| Other Income and Expenses | | | | | | | | | | | | | | | | |
| Miscellaneous Income | | | | | | | | | | | | | \$ - | \$ 64,427.04 | \$ (64,427.04) | -100% |
| Investment Dividend Income | | | | | | | | | | | | | \$ - | \$ 46.40 | \$ (46.40) | -100% |
| Accrued Interest on HLP LOC | | | | | | | | | | | | | \$ - | \$ 256,862.61 | \$ (256,862.61) | -100% |
| Deferrerred Tax Expense | | | | | | | | | | | | | \$ - | \$ 173,350.00 | \$ (173,350.00) | -100% |
| Gain/Loss Sale of Asset | | | | | | | | | | | | | \$ - | \$ (117,125.38) | \$ 117,125.38 | -100% |
| Unrealized Investment (Gain)/Loss | | | | | | | | | | | | | \$ - | \$ 329,154.00 | \$ (329,154.00) | -100% |
| Debt Service Interest (Other) | \$ - | \$ (10,758.22) | \$ (10,535.12) | \$ (10,311.45) | \$ (10,087.23) | \$ (9,862.45) | \$ (9,637.11) | \$ (9,411.20) | \$ (9,184.73) | \$ (8,957.69) | \$ (8,730.08) | \$ (8,501.91) | \$ (105,977.19) | \$ (103,288.67) | \$ (2,688.52) | 3% |
| Interest Income | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 6,000.00 | \$ 6,254.56 | \$ (254.56) | -4% |
| Total Other Income and Expenses | \$ 500.00 | \$ (10,258.22) | \$ (10,035.12) | \$ (9,811.45) | \$ (9,587.23) | \$ (9,362.45) | \$ (9,137.11) | \$ (8,911.20) | \$ (8,684.73) | \$ (8,457.69) | \$ (8,230.08) | \$ (8,001.91) | \$ (99,977.19) | \$ 609,680.56 | \$ (709,657.75) | -116% |
| Net Income | \$ 223,656.00 | \$ 122,321.78 | \$ (78,414.11) | \$ 156,401.22 | \$ 169,633.44 | \$ 396,146.22 | \$ 218,099.56 | \$ 222,497.47 | \$ 301,143.94 | \$ 280,159.98 | \$ 273,096.59 | \$ 487,618.76 | \$ 2,772,360.81 | \$ 5,052,248.47 | \$ (2,279,887.66) | -45% |

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|----|---------------|----|---------------|----|---------------|----|---------------|----|---------------|-------------|---------------|-------------|---------------|------------|---------------|-------------|---------------|----|---------------|----|---------------|----|---------------|----|----------------|-------------|----------------|--------------|-----------------|------------|----------------|
| Net Income | \$ | 223,656.00 | \$ | 122,321.78 | \$ | (78,414.11) | \$ | 156,401.22 | \$ | 169,633.44 | \$ | 396,146.22 | \$ | 218,099.56 | \$ | 222,497.47 | \$ | 301,143.94 | \$ | 280,159.98 | \$ | 273,096.59 | \$ | 487,618.76 | \$ | 2,772,360.81 | \$ | 5,052,248.47 | \$ | (2,279,887.66) | -45% | |
| Adjustments to reconcile net income to net cash provided by Operations | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amortization/Depreciation | \$ | 175,819.00 | \$ | 175,819.00 | \$ | 175,819.00 | \$ | 175,819.00 | \$ | 175,819.00 | \$ | 175,819.00 | \$ | 175,819.00 | \$ | 175,819.00 | \$ | 175,819.00 | \$ | 175,819.00 | \$ | 175,819.00 | \$ | 175,819.00 | \$ | 2,109,828.00 | \$ | 1,866,757.30 | \$ | 243,070.70 | | |
| Accounts receivable | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | (2,234,696.38) | \$ | 2,234,696.38 | | |
| Required Building Improvements | \$ | (15,000.00) | | \$ | - | \$ | - | \$ | - | \$ | (18,000.00) | \$ | (35,000.00) | \$ | (9,500.00) | \$ | (20,000.00) | \$ | - | \$ | - | \$ | - | \$ | - | \$ | (97,500.00) | \$ | (694,281.81) | \$ | 596,781.81 | |
| Optional Building Improvements | \$ | (58,640.00) | \$ | (591,820.00) | \$ | (85,960.00) | \$ | (3,000.00) | \$ | (7,700.00) | \$ | (85,798.00) | \$ | (15,000.00) | \$ | (24,775.00) | \$ | - | \$ | - | \$ | (60,000.00) | \$ | - | \$ | (932,693.00) | \$ | - | \$ | (932,693.00) | | |
| Tenant Improvements | \$ | (33,045.00) | \$ | (153,863.00) | \$ | (55,650.00) | \$ | (208,730.00) | \$ | (70,645.00) | \$ | (153,844.00) | \$ | (140,380.00) | \$ | (1,600.00) | \$ | (93,241.00) | \$ | (120,140.00) | \$ | (12,831.00) | \$ | (222,860.00) | \$ | (1,266,829.00) | \$ | (386,264.74) | \$ | (880,564.26) | | |
| Leasing Commission | \$ | - | \$ | (16,636.00) | \$ | (2,264.00) | \$ | (6,101.00) | \$ | (89,044.00) | \$ | (76,173.00) | \$ | (22,392.00) | \$ | - | \$ | (22,202.00) | \$ | (105,310.00) | \$ | (3,215.00) | \$ | (64,743.00) | \$ | (408,080.00) | \$ | (308,508.79) | \$ | (99,571.21) | | |
| Notes Receivable | \$ | 2,271.00 | \$ | 2,289.00 | \$ | 2,305.00 | \$ | 2,322.00 | \$ | 2,340.00 | \$ | 2,357.00 | \$ | 2,374.00 | \$ | 2,392.00 | \$ | 2,410.00 | \$ | 2,428.00 | \$ | 2,446.00 | \$ | 2,464.00 | \$ | 28,398.00 | \$ | 39,496.42 | \$ | (11,098.42) | | |
| Real Estate Tax Escrows | \$ | (65,484.00) | \$ | (65,484.00) | \$ | (65,484.00) | \$ | (65,484.00) | \$ | (65,484.00) | \$ | (65,484.00) | \$ | (65,484.00) | \$ | (65,484.00) | \$ | (65,484.00) | \$ | (65,942.00) | \$ | (65,942.00) | \$ | (65,942.00) | \$ | (787,182.00) | \$ | (261,116.33) | \$ | (526,065.67) | | |
| Escrow Fund Release | | | | | | | | | | | | 393,591.00 | | | | | | | | | | | | | \$ | 393,591.00 | \$ | 787,182.00 | \$ | 307,910.60 | \$ | 479,271.40 |
| Accrued Real Estate Taxes | \$ | 118,446.00 | \$ | 118,446.00 | \$ | 118,446.00 | \$ | 118,446.00 | \$ | 118,446.00 | \$ | 118,446.00 | \$ | 118,446.00 | \$ | 118,446.00 | \$ | 118,446.00 | \$ | 120,020.00 | \$ | 120,020.00 | \$ | 120,020.00 | \$ | 1,426,074.00 | \$ | 412,679.00 | \$ | 1,013,395.00 | | |
| Real-estate Tax Payments | | | | | | | | | | | | (477,920.00) | | | | | | | | | | | | | \$ | (948,154.00) | \$ | (1,426,074.00) | \$ | (412,679.00) | \$ | (1,013,395.00) |
| Accrued Expenses | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | 193,166.62 | \$ | (193,166.62) | | |
| Minority Interest | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | (257,574.18) | \$ | 257,574.18 | | |
| Prepaid Expenses | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | (180,073.45) | \$ | 180,073.45 | | |
| Prepaid Real Estate Taxes | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | (11,137.86) | \$ | 11,137.86 | | |
| Prepaid Insurance | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | (6,429.29) | \$ | 6,429.29 | | |
| Accounts Payable | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | 99,058.36 | \$ | (99,058.36) | | |
| Security Deposits | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | 64,806.30 | \$ | (64,806.30) | | |
| Prepaid RE Tax Income | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | 2,546.54 | \$ | (2,546.54) | | |
| Prepaid Rent Income | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | 180,908.16 | \$ | (180,908.16) | | |
| Deposit on Refinance of Shops at Sumner Place | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | 600,000.00 | \$ | (600,000.00) | | |
| Deferred Loan Charges | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | (73,768.98) | \$ | 73,768.98 | | |
| Unrealized Investment Gain/Loss | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | (324,079.95) | \$ | 324,079.95 | | |
| Closing Cost for Refinance | | | | | | | | | | | | | | | | | | | | | | | | | \$ | - | \$ | (481,133.75) | \$ | 481,133.75 | | |
| Prior Tenant Clearing | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | (1,525.00) | \$ | 1,525.00 | | |
| Total Adjustments | \$ | 124,367.00 | \$ | (531,249.00) | \$ | 87,212.00 | \$ | 13,272.00 | \$ | 63,732.00 | \$ | (187,006.00) | \$ | 18,383.00 | \$ | 195,298.00 | \$ | 95,748.00 | \$ | 6,875.00 | \$ | 156,297.00 | \$ | (609,805.00) | \$ | (566,876.00) | \$ | (1,865,940.21) | \$ | 1,299,064.21 | | |
| Net Cash provided from Operations | \$ | 348,023.00 | \$ | (408,927.22) | \$ | 8,797.89 | \$ | 169,673.22 | \$ | 233,365.44 | \$ | 209,140.22 | \$ | 236,482.56 | \$ | 417,795.47 | \$ | 396,891.94 | \$ | 287,034.98 | \$ | 429,393.59 | \$ | (122,186.24) | \$ | 2,205,484.81 | \$ | 3,186,308.26 | \$ | (980,823.45) | | |
| Cash Flows from Financing Activities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cardinal Bank (Spring Valley Retail) | \$ | 16,424,255.67 | \$ | 16,399,626.08 | \$ | 16,372,922.61 | \$ | 16,348,100.74 | \$ | 16,323,185.89 | \$ | 16,292,260.56 | \$ | 16,267,136.54 | \$ | 16,239,952.80 | \$ | 16,214,632.85 | \$ | 16,187,258.78 | \$ | 16,161,741.44 | \$ | 16,136,128.52 | | | | | | | | |
| Guardian Life (Shops at Sumner Place) | \$ | 29,523,221.45 | \$ | 29,478,988.74 | \$ | 29,434,605.63 | \$ | 29,390,071.62 | \$ | 29,345,386.20 | \$ | 29,300,548.85 | \$ | 29,255,559.05 | \$ | 29,210,416.28 | \$ | 29,165,120.03 | \$ | 29,119,669.77 | \$ | 29,074,064.98 | \$ | 29,028,305.13 | | | | | | | | |
| Key Bank Loan (Sumner Highland Apt) | \$ | 16,972,548.29 | \$ | 16,949,472.01 | \$ | 16,926,271.31 | \$ | 16,902,945.52 | \$ | 16,879,493.97 | \$ | 16,855,915.97 | \$ | 16,832,210.85 | \$ | 16,808,377.92 | \$ | 16,784,416.49 | \$ | 16,760,325.87 | \$ | 16,736,105.36 | \$ | 16,711,754.26 | | | | | | | | |
| Teachers Loan (Spring Valley Office) | \$ | 21,307,822.90 | \$ | 21,284,367.08 | \$ | 21,260,772.48 | \$ | 21,237,038.27 | \$ | 21,213,163.64 | \$ | 21,189,147.75 | \$ | 21,164,989.76 | \$ | 21,140,688.84 | \$ | 21,116,244.14 | \$ | 21,091,654.81 | \$ | 21,066,919.99 | \$ | 21,042,038.82 | | | | | | | | |
| Promissory Notes | \$ | 4,303,288.65 | \$ | 4,214,046.87 | \$ | 4,124,581.99 | \$ | 4,034,893.44 | \$ | 3,944,980.67 | \$ | 3,854,843.12 | \$ | 3,764,480.23 | \$ | 3,673,891.43 | \$ | 3,583,076.16 | \$ | 3,492,033.85 | \$ | 3,400,763.93 | \$ | 3,309,265.84 | | | | | | | | |
| Haymount Mezz | \$ | 8,250,229.83 | \$ | 8,250,229.83 | \$ | 8,250,229.83 | \$ | 8,250,229.83 | \$ | 8,250,229.83 | \$ | 8,250,229.83 | \$ | 8,250,229.83 | \$ | 8,250,229.83 | \$ | 8,250,229.83 | \$ | 8,250,229.83 | \$ | 8,250,229.83 | \$ | 8,250,229.83 | | | | | | | | |
| Total Long Term Debt | \$ | 96,781,366.79 | \$ | 96,576,730.61 | \$ | 96,369,383.85 | \$ | 96,163,279.42 | \$ | 95,956,440.20 | \$ | 95,742,946.08 | \$ | 95,534,606.26 | \$ | 95,323,557.10 | \$ | 95,113,719.50 | \$ | 94,901,172.91 | \$ | 94,689,825.53 | \$ | 94,477,722.40 | | | | | | | | |
| Increase or (Decrease) in Long Term Debt | \$ | (206,886.38) | \$ | (204,636.18) | \$ | (207,346.76) | \$ | (206,104.43) | \$ | (206,839.22) | \$ | (213,494.12) | \$ | (208,339.82) | \$ | (211,049.16) | \$ | (209,837.60) | \$ | (212,546.59) | \$ | (211,347.38) | \$ | (212,103.13) | \$ | (2,510,530.77) | \$ | 9,829,714.19 | \$ | 7,319,183.42 | | |
| Net Increase (Decrease) in Cash (FREE CASH FLOW) | \$ | 141,136.62 | \$ | (613,563.40) | \$ | (198,548.87) | \$ | (36,431.21) | \$ | 26,526.22 | \$ | (4,353.90) | \$ | 28,142.74 | \$ | 206,746.31 | \$ | 187,054.34 | \$ | 74,488.39 | \$ | 218,046.21 | \$ | (334,289.37) | \$ | (305,045.96) | \$ | 13,016,022.45 | \$ | (13,321,068.41) | | |
| Shareholder Payments | | | | | | | | | | | | | | | | | | | | | | | | | | | \$ | (6,350,000.00) | \$ | (6,350,000.00) | | |
| Investments | | | | | | | | | | | | | | | | | | | | | | | | | | | \$ | (2,500,000.00) | \$ | (2,500,000.00) | | |
| Cash Balance at Beginning of Period | \$ | 5,600,705.52 | \$ | 5,741,842.14 | \$ | 5,128,278.73 | \$ | 4,929,729.86 | \$ | 4,893,298.65 | \$ | 4,919,824.86 | \$ | 4,915,470.96 | \$ | 4,943,613.70 | \$ | 5,150,360.00 | \$ | 5,337,414.34 | \$ | 5,411,902.73 | \$ | 5,629,948.93 | \$ | 5,600,705.52 | \$ | 1,434,683.07 | \$ | 4,166,022.45 | | |
| Increase (Decrease) in cash during period | \$ | 141,136.62 | \$ | (613,563.40) | \$ | (198,548.87) | \$ | (36,431.21) | \$ | 26,526.22 | \$ | (4,353.90) | \$ | 28,142.74 | \$ | 206,746.31 | \$ | 187,054.34 | \$ | 74,488.39 | \$ | 218,046.21 | \$ | (334,289.37) | \$ | (305,045.96) | \$ | 4,166,022.45 | \$ | (4,471,068.41) | | |
| Cash at End of Period | \$ | 5,741,842.14 | \$ | 5,128,278.73 | \$ | 4,929,729.86 | \$ | 4,893,298.65 | \$ | 4,919,824.86 | \$ | 4,915,470.96 | \$ | 4,943,613.70 | \$ | 5,150,360.00 | \$ | 5,337,414.34 | \$ | 5,411, | | | | | | | | | | | | |

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

September 2014 Variance Report

| | Variance | Explanation |
|-----------------------------|-----------------|---|
| Rental Income | \$ (91,128.17) | 1. Unbudgeted vacancy for 4866 Massachusetts Avenue (\$18,256) 2. Suite N270 was budgeted to renew but they vacated (\$6,747) 4. Vacancy on first floor 4900 as well as lower level of 4315 50th were budgeted to be occupied (\$19,078) 5. Vacancy on 2nd floor of 4900 due to reconfiguration of floor after 2 tenants left at end of their term (\$3,715) 6. Real Estate Tax Income over budgetted by \$104,970 at Shops at Sumner Place |
| Rental Expenses | \$ (11,825.97) | |
| Net Rental Income Variance | \$ (65,426.41) | |
| Operating Expenses Variance | \$ 62,976.36 | Payment of DC Baseball Stadium Tax for 5/31/2009 through 5/31/2014 |
| Net Income Variance | \$ (279,307.91) | |
| Increase/(Decrease) in cash | \$ (162,066.30) | |

Year to Date Variance Report

| | | |
|-----------------------------|-----------------|---|
| Rental Income | \$ (478,241.86) | 1. Higher vacancy at Sumner Highlands (\$133,781) 2. Unbudgeted vacancy for 4866 Massachusetts Avenue (\$252,475) 4. Receipt of \$16,118.33 from Damon & Drapers Bankruptcy (Total claim was \$42,416.66 which was written off to bad debt in) 5. Suite N270 at Shops at Sumner Place was budgeted to renew but moved out instead (\$56,029) 6. Unbudgeted vacancy of Aidian Design (\$19,809) 7. Budget had 1st floor of 4900 Massachusetts Avenue to be leased, resulting vacancy is (\$171,702) |
| Rental Expenses | \$ 9,797.63 | |
| Net Rental Income Variance | \$ (476,543.01) | |
| Operating Expenses Variance | \$ 105,706.70 | 1. Legal Fees for CAN lawsuit higher than budget by (\$91,994.71) 2. Unbudgetted DC Baseball Stadium Tax of \$60,771.87 |
| Net Income Variance | \$ (339,860.57) | |
| Increase/Decrease in cash | \$ (939,059.65) | |