

W.C. and A.N. Miller Companies  
Balance Sheet  
December 31, 2011

	Current Month	Prior Month
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,878,679.03	\$ 2,835,332.60
Accounts Receivable	970,036.24	618,195.51
Straightline Rent	2,981,801.42	2,981,801.42
Miscellaneous Receivables	13,740.10	133,397.42
Provision for Loss	0.00	0.00
Other Receivables	936,916.17	938,670.37
Inventory	37,318.04	37,318.04
Prepaid Expenses	286,700.20	328,522.39
Total Current Assets	<u>8,105,191.20</u>	<u>7,873,237.75</u>
Fixed Assets		
Land	6,310,994.50	6,310,994.50
HLP, II Land	538,905.48	538,905.48
Buildings	48,983,364.02	48,980,945.62
Property and Equipment	262,215.66	262,215.66
Capital Improvements - Opt	28,883.00	28,883.00
Improvements	12,596,845.05	12,596,137.15
Less: Accumulated Depreciation	<u>19,599,203.01</u>	<u>19,441,632.13</u>
Net Fixed Assets	<u>49,122,004.70</u>	<u>49,276,449.28</u>
Other Assets		
Deferred Leasing Commissions,	949,720.42	902,105.84
Deferred Finance Charges, net	641,216.11	641,216.11
Deposit	17,630.05	17,630.05
Deferred Taxes	7,241,222.00	7,241,222.00
Real Estate Tax Escrow	<u>283,990.14</u>	<u>220,561.64</u>
Total Other Assets	<u>9,133,778.72</u>	<u>9,022,735.64</u>
TOTAL ASSETS	<u>\$ 66,360,974.62</u>	<u>\$ 66,172,422.67</u>

W.C. and A.N. Miller Companies  
Balance Sheet  
December 31, 2011

Current Month                      Prior Month

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities		
Accounts Payable	\$ 165,951.54	\$ 108,037.37
2007 Payroll Tax Liability	350,493.41	361,493.41
Accrued Income Taxes	0.00	0.00
Accrued Expenses	966,162.89	986,901.42
Security Deposits	385,333.27	383,281.27
Prepaid RE Income	76,863.67	76,863.67
Prepaid Rent Income	770,024.61	541,509.89
Total Current Liabilities	<u>2,714,829.39</u>	<u>2,458,087.03</u>
Long-Term Liabilities		
Notes Payable (1)	88,065,402.30	88,174,550.58
Guaranty Reserve	0.00	0.00
Total Long-Term Liabilities	<u>88,065,402.30</u>	<u>88,174,550.58</u>
Total Liabilities	<u>90,780,231.69</u>	<u>90,632,637.61</u>
Minority Interest (2)	(6,299,410.46)	(6,299,208.50)
Total Minority Interest	<u>(6,299,410.46)</u>	<u>(6,299,208.50)</u>
Stockholders' Deficit		
Common Stock	800,200.00	800,200.00
Dividend	0.00	0.00
Retained Earnings (Deficit)	(18,920,046.61)	(18,961,206.44)
Total Stockholders' Deficit	<u>(18,119,846.61)</u>	<u>(18,161,006.44)</u>
TOTAL LIABILITIES & STOCKHOLDERS' DEFICI	<u>\$ 66,360,974.62</u>	<u>\$ 66,172,422.67</u>

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 Companies  
Long Term Debt  
December 31, 2011

		Current Month		Budget	Prior Month
N/P MetLife	\$	25,946,413.83	\$	25,946,413.82	25,995,524.89
Key Bank Loan		17,450,061.50		17,450,061.50	17,470,453.24
N/P - TIAA Loan		21,790,341.74		21,790,341.94	21,810,821.49
N/P - Haymount Mezz		8,250,229.83		8,250,229.83	8,250,229.83
N/P - Cardinal Loan - SVR		14,628,355.40		14,628,351.63	14,647,521.13
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Total Long Term Debt	\$	88,065,402.30	\$	88,065,398.72	88,174,550.58
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Notes Repayment Schedule

1. MetLife - 1/1/2013
2. Key Bank Loan - 6/30/2021
3. TIAA - 10/1/2018
4. Cardinal Bank - 8/14/2021

## Income Statement

For the Month Ending December 31, 2011

	Current Month Actual	Current Month Budget	Current Month Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Year to Date Variance	Year to Date Prior Year
Rental Activities								
Rent Income	\$ 1,183,875.02	1,222,985.00	(39,109.98)	1,108,177.09	3,503,738.20	3,684,593.00	(180,854.80)	3,314,394.15
Rent Expenses	(316,436.39)	(363,440.00)	47,003.61	(411,598.92)	(947,440.18)	(1,045,166.00)	97,725.82	(1,042,581.62)
Real Estate Taxes	(109,827.61)	(101,240.00)	(8,587.61)	(106,953.92)	(329,482.82)	(303,720.00)	(25,762.82)	(322,298.22)
Depreciation	(167,325.40)	(167,301.00)	(24.40)	(180,989.10)	(501,976.20)	(501,903.00)	(73.20)	(542,967.30)
Debt Service-Interest	(421,760.29)	(420,111.00)	(1,649.29)	(442,372.87)	(1,263,142.40)	(1,263,984.00)	841.60	(1,326,437.73)
Net Rental Income	168,525.33	170,893.00	(2,367.67)	(33,737.72)	461,696.60	569,820.00	(108,123.40)	80,109.28
Revenues								
Total Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COGS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Gross Profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	168,525.33	170,893.00	(2,367.67)	(33,737.72)	461,696.60	569,820.00	(108,123.40)	80,109.28
Operating Expenses								
Auto Expenses	80.01	200.00	(119.99)	0.00	129.34	600.00	(470.66)	1,371.30
Bank Charges	15.28	50.00	(34.72)	14.51	15.55	150.00	(134.45)	53.91
Computer Supplies	899.96	0.00	899.96	0.00	899.96	3,000.00	(2,100.04)	0.00
Computer Consultant	2,000.00	800.00	1,200.00	1,081.25	3,600.00	2,400.00	1,200.00	3,625.00
Office Administration	17,000.00	17,000.00	0.00	18,000.00	31,000.00	31,000.00	0.00	28,000.00
Equipment Rental	737.14	400.00	337.14	881.87	2,187.57	1,430.00	757.57	2,341.15
General Insurance	0.00	0.00	0.00	0.00	23,360.00	24,453.00	(1,093.00)	22,743.00
Legal	0.00	5,000.00	(5,000.00)	3,304.00	8,032.63	15,000.00	(6,967.37)	6,422.40
Legal - Loans/lenders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,839.06
Legal - Haymount	33,471.86	50,000.00	(16,528.14)	16,531.38	145,437.51	100,000.00	45,437.51	23,256.93
Health Insurance	1,498.00	1,498.00	0.00	1,371.00	4,494.00	4,494.00	0.00	4,113.00
Management Meals	1,350.16	200.00	1,150.16	72.71	2,068.60	600.00	1,468.60	148.34
Annual Shareholder Meeting	1,649.10	0.00	1,649.10	0.00	1,649.10	0.00	1,649.10	0.00

## Income Statement

For the Month Ending December 31, 2011

Office Supplies	750.24	500.00	250.24	676.16	2,407.48	1,500.00	907.48	2,048.09
Other Taxes and Licenses	92.69	0.00	92.69	0.00	4,188.18	10,000.00	(5,811.82)	9,598.26
Payroll Taxes	1,300.50	625.00	675.50	1,224.00	2,371.50	1,875.00	496.50	2,142.00
Postage	401.32	350.00	51.32	546.61	1,121.90	1,050.00	71.90	883.77
Accounting	0.00	1,500.00	(1,500.00)	935.00	355.00	4,500.00	(4,145.00)	1,220.00
Review/Tax Returns/Fin St.	8,178.95	50,000.00	(41,821.05)	11,496.73	48,152.63	50,000.00	(1,847.37)	62,131.98
Internal Control Review	0.00	5,500.00	(5,500.00)	4,850.00	4,315.00	5,500.00	(1,185.00)	5,240.00
Promotion and Entertainment	0.00	0.00	0.00	0.00	508.00	0.00	508.00	0.00
Charitable Contribution	0.00	0.00	0.00	0.00	500.00	500.00	0.00	0.00
Rent	6,855.92	6,900.00	(44.08)	6,204.96	20,916.53	20,700.00	216.53	18,614.88
Springvale Meadows Expenses	5,630.00	3,000.00	2,630.00	0.00	21,606.00	21,000.00	606.00	0.00
Executive Compensation	27,000.00	21,000.00	6,000.00	15,000.00	63,000.00	63,000.00	0.00	45,000.00
Storage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,240.00
Telephone	412.67	350.00	62.67	301.23	1,194.30	1,050.00	144.30	734.36
Management Travel	1,220.20	2,500.00	(1,279.80)	958.20	4,892.23	7,500.00	(2,607.77)	5,575.09
Payroll Processing Fees	210.62	225.00	(14.38)	195.58	540.26	675.00	(134.74)	492.18
Board of Directors Fees	13,500.00	13,500.00	0.00	9,000.00	40,500.00	40,500.00	0.00	27,000.00
RE Tax Expense	2,644.18	2,700.00	(55.82)	2,455.99	2,644.18	2,700.00	(55.82)	2,455.99
Board Travel and Meals	921.83	0.00	921.83	0.00	10,035.97	7,000.00	3,035.97	7,603.68
Total Operating Expenses	127,820.63	183,798.00	(55,977.37)	95,101.18	452,123.42	422,177.00	29,946.42	288,894.37
Net Operating Income	40,704.70	(12,905.00)	53,609.70	(128,838.90)	9,573.18	147,643.00	(138,069.82)	(208,785.09)
Other Income and Expenses								
Interest Income	455.13	1,200.00	(744.87)	476.06	2,052.61	3,600.00	(1,547.39)	1,427.80
Debt Service (Interest) Other	0.00	0.00	0.00	(3,176.44)	0.00	0.00	0.00	(9,529.32)
Total Other Income and Expenses	455.13	1,200.00	(744.87)	(2,700.38)	2,052.61	3,600.00	(1,547.39)	(8,101.52)
Net Income	\$ 41,159.83	(11,705.00)	52,864.83	(131,539.28)	11,625.79	151,243.00	(139,617.21)	(216,886.61)

**W.C. and A.N. Miller Development Company**  
**December 2011 Variance Report**

	Variance	Explanation
Rental Income	(39,109.98)	1. Recoverable income for Spring Valley Retail is budgeted as monthly accrual but billed and paid as lump-sum 2. Higher vacancy at Sumner Highlands and higher concessions
Rental Expenses	47,003.61	1. Repairs for Plaza Level at Shops @Sumner Place have not been completed along with fire alarm upgrades for 4910 Massachusetts Avenue.
Real Estate Taxes	(8,587.61)	Sumner Highlands Real Estate Taxes Budgeted Incorrectly
Rental Income Variance	(2,367.67)	
Operating Expenses Variance	(55,977.37)	
Net Income Variance	52,864.83	

W.C. and A.N. MILLER COMPANIES  
STATEMENT OF CASH FLOW  
For the Month Ended December 31, 2011

	Current Month	Year to Date
Cash Flows for Operating Activities:		
Net Income	41,160	11,626
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Dividend	-	0
Depreciation and amortization	167,325	501,975
Loss on disposition of fixed assets		-
Income allocated to minority interest	(202)	(294)
Accounts receivable	(232,183)	(157,250)
Other receivables	1,754	5,223
Inventory		-
Deferred income taxes		-
Prepaid expenses	41,822	133,069
Current maturities of long term debt		-
Accounts payable	46,914	91,090
Accrued income taxes		-
Accrued expenses	(20,739)	107,508
Security deposits	2,052	15,070
Prepaid Real Estate Tax Income		-
Prepaid rent income	228,515	177,185
Total Adjustments	<u>235,259</u>	<u>873,577</u>
Net Cash Provided by (Used for) Operating Activities	<u>276,419</u>	<u>885,203</u>
Cash Flow for Investing Activities:		
Acquisition of fixed assets	(3,126)	(79,303)
Acquisition of deferred financing charges	(57,369)	(97,817)
Acquisition of real estate tax escrow	(63,429)	(69,734)
Acquisition of water escrow	-	-
Disposition of guaranty reserve	-	-
Disposition of deposit	-	-
Net Cash Used for Investing Activities	<u>(123,924)</u>	<u>(246,854)</u>
Cash Flow for Financing Activities:		
Disposition of long term debt	(109,148)	(323,315)
Acquisition of long term debt	-	-
Net Cash Used for Financing Activities	<u>(109,148)</u>	<u>(323,315)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	43,346	315,033
Cash and cash equivalents, Beginning of Period	<u>2,835,333</u>	<u>2,563,645</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>2,878,679</u></u>	<u><u>2,878,679</u></u>

W.C. and A.N. Miller Development Company  
2011/2012 Cash Flow Statement  
**Summary**

	December 2011 Month Actual	December 2011 Month Budget	December 2011 Variance	December 2010 Prior Year	Total Actual Year to Date	Total Budget Year to Date	Total Variance	Total Prior Year to Date
<b>Rental Activities</b>								
Rent Income	\$ 1,183,875.02	\$ 1,222,985.00	\$ (39,109.98)	\$ 1,108,177.09	\$ 3,503,738.20	\$ 3,684,593.00	\$ (180,854.80)	\$ 2,206,217.06
Rent Expenses	\$ (316,436.39)	\$ (363,440.00)	\$ 47,003.61	\$ (411,598.92)	\$ (947,440.18)	\$ (1,045,166.00)	\$ 97,725.82	\$ (630,982.70)
Real Estate Taxes	\$ (109,827.61)	\$ (101,240.00)	\$ (8,587.61)	\$ (106,953.92)	\$ (329,482.82)	\$ (303,720.00)	\$ (25,762.82)	\$ (215,344.30)
Amortization/Depreciation	\$ (167,325.40)	\$ (167,301.00)	\$ (24.40)	\$ (180,989.10)	\$ (501,976.20)	\$ (501,903.00)	\$ (73.20)	\$ (361,978.20)
Debt Service - Interest	\$ (421,760.29)	\$ (420,111.00)	\$ (1,649.29)	\$ (442,372.87)	\$ (1,263,142.40)	\$ (1,263,984.00)	\$ 841.60	\$ (884,064.86)
<b>Net Rental Income</b>	\$ 168,525.33	\$ 170,893.00	\$ (2,367.67)	\$ (33,737.72)	\$ 461,696.60	\$ 569,820.00	\$ (108,123.40)	\$ 113,847.00
<b>Total Operating Expenses</b>	\$ 122,190.63	\$ 180,798.00	\$ 55,233.04	\$ (33,737.72)	\$ 430,517.42	\$ 401,177.00	\$ 87,947.79	\$ 193,793.19
<b>Net Income</b>	\$ 46,789.83	\$ (8,705.00)	\$ (127,670.30)	\$ (131,539.28)	\$ 33,231.79	\$ 172,243.00	\$ (194,506.04)	\$ (85,347.33)
<b>Total Adjustments to Reconcile to Cash</b>	\$ 105,704.88	\$ (32,788.00)	\$ 319,356.82	\$ 296,229.11	\$ 500,118.28	\$ 10,332.50	\$ 456,292.90	\$ 492,871.71
<b>Net Cash provided from Operations</b>	\$ 152,494.71	\$ (41,493.00)	\$ 191,686.52	\$ 164,689.83	\$ 533,350.07	\$ 182,575.50	\$ 456,292.90	\$ 407,524.38
<b>Increase or (Decrease) in Long Term Debt</b>	\$ (109,148.28)	\$ (108,990.18)	\$ (158.10)	\$ (107,464.47)	\$ (323,315.38)	\$ (321,746.25)	\$ (212,756.07)	\$ (210,725.36)
<b>Net Increase (Decrease) in Cash (FREE CASH FLOW)</b>	\$ 43,346.43	\$ (150,483.18)	\$ 191,528.42	\$ 57,225.36	\$ 210,034.69	\$ (139,170.75)	\$ 243,536.83	\$ 196,799.02
<b>Shareholder Dividend</b>	\$ -	\$ -	\$ -	\$ (50,000.00)	\$ -	\$ -	\$ -	\$ (100,000.00)
<b>Cash Balance at Beginning of Period</b>	\$ 2,835,332.60	\$ 2,609,180.52	\$ 226,152.08	\$ 1,654,644.68	\$ 2,563,644.63	\$ 2,597,868.09	\$ (34,223.46)	\$ 1,557,845.66
<b>Increase (Decrease) in cash during period</b>	\$ 43,346.43	\$ (150,483.18)	\$ 193,829.61	\$ (2,550.64)	\$ 210,034.69	\$ (139,170.75)	\$ 349,205.44	\$ 96,799.02
<b>Cash at End of Period</b>	\$ 2,878,679.03	\$ 2,458,697.34	\$ 419,981.69	\$ 1,652,094.04	\$ 2,773,679.32	\$ 2,458,697.34	\$ 314,981.98	\$ 1,654,644.68

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W.C. and A.N. Miller Development Company  
2011/2012 Cash Flow Statement  
**Comparison**

	December 2011 Month Actual	December 2011 Month Budget	December 2011 Variance	December 2010 Prior Year	Total Actual Year to Date	Total Budget Year to Date	Total Variance	Total
<b>Rental Activities</b>								
Rent Income	\$ 1,183,875.02	\$ 1,222,985.00	\$ (39,109.98)	\$ 1,108,177.09	3,503,738.20	3,684,593.00	(180,854.80)	3,314,394.15
Rent Expenses	\$ (316,436.39)	\$ (363,440.00)	\$ 47,003.61	\$ (411,598.92)	(947,440.18)	(1,045,166.00)	97,725.82	(1,042,581.62)
Real Estate Taxes	\$ (109,827.61)	\$ (101,240.00)	\$ (8,587.61)	\$ (106,953.92)	(329,482.82)	(303,720.00)	(25,762.82)	(322,298.22)
Amortization/Depreciation	\$ (167,325.40)	\$ (167,301.00)	\$ (24.40)	\$ (180,989.10)	(501,976.20)	(501,903.00)	(73.20)	(542,967.30)
Debt Service - Interest	\$ (421,760.29)	\$ (420,111.00)	\$ (1,649.29)	\$ (442,372.87)	(1,263,142.40)	(1,263,984.00)	841.60	(1,326,437.73)
<b>Net Rental Income</b>	\$ 168,525.33	\$ 170,893.00	\$ (2,367.67)	\$ (33,737.72)	461,696.60	569,820.00	\$ (108,123.40)	\$ 80,109.28
<b>Revenues</b>								
Sales(Lots and Homes)								
Cost of Sales								
<b>Gross Profit</b>	\$ 168,525.33	\$ 170,893.00	\$ (2,367.67)	\$ (33,737.72)	461,696.60	569,820.00	\$ (108,123.40)	\$ 80,109.28
<b>Operating Expenses</b>								
Auto Expenses	\$ 80.01	\$ 200.00	\$ (119.99)	\$ -	129.34	600.00	(470.66)	1,371.30
Bank Charges	\$ 15.28	\$ 50.00	\$ (34.72)	\$ 14.51	15.55	150.00	(134.45)	53.91
Computer Consultant	\$ 2,000.00	\$ 800.00	\$ 1,200.00	\$ 1,081.25	3,600.00	2,400.00	1,200.00	3,625.00
Computer Supplies	\$ 899.96	\$ -	\$ 899.96	\$ -	899.96	3,000.00	(2,100.04)	0.00
Executive Compensation	\$ 27,000.00	\$ 21,000.00	\$ 6,000.00	\$ 15,000.00	63,000.00	63,000.00	0.00	45,000.00
Executive Bonus		\$ -	\$ -					
Office Administration	\$ 17,000.00	\$ 17,000.00	\$ -	\$ 18,000.00	31,000.00	31,000.00	0.00	28,000.00
Payroll Burden	\$ 1,300.50	\$ 625.00	\$ 675.50	\$ 1,224.00	2,371.50	1,875.00	496.50	2,142.00
Equipment Rental	\$ 737.14	\$ 400.00	\$ 337.14	\$ 881.87	2,187.57	1,430.00	757.57	2,341.15
General Insurance					23,360.00	24,453.00	(1,093.00)	22,743.00
Legal - General	\$ -	\$ 5,000.00	\$ (5,000.00)	\$ 3,304.00	8,032.63	15,000.00	(6,967.37)	6,422.40
Legal - Loans/Lenders		\$ -	\$ -		0.00	0.00	0.00	3,839.06
Legal - Haymount	\$ 33,471.86	\$ 50,000.00	\$ (16,528.14)	\$ 16,531.38	145,437.51	100,000.00	45,437.51	23,256.93
Leasing Commission - Corp		\$ -	\$ -		0.00	0.00	0.00	0.00
Health Insurance	\$ 1,498.00	\$ 1,498.00	\$ -	\$ 1,371.00	4,494.00	4,494.00	0.00	4,113.00
Management Meals	\$ 1,350.16	\$ 200.00	\$ 1,150.16	\$ 72.71	2,068.60	600.00	1,468.60	148.34
Offices Supplies	\$ 750.24	\$ 500.00	\$ 250.24	\$ 676.16	2,407.48	1,500.00	907.48	2,048.09
Other Taxes and Licenses	\$ 92.69	\$ -	\$ 92.69		4,188.18	10,000.00	(5,811.82)	9,598.26
Other Real Estate Taxes	\$ 2,644.18	\$ 2,700.00	\$ (55.82)	\$ 2,455.99	2,644.18	2,700.00	(55.82)	2,455.99

W.C. and A.N. Miller Development Company  
2011/2012 Cash Flow Statement  
**Comparison**

	December 2011 Month Actual	December 2011 Month Budget	December 2011 Variance	December 2010 Prior Year	Total Actual Year to Date	Total Budget Year to Date	Total Variance	Total Prior Year to Date
Postage	\$ 401.32	\$ 350.00	\$ 51.32	\$ 546.61	1,121.90	1,050.00	71.90	883.77
Accounting	\$	\$ 1,500.00	\$ (1,500.00)	\$ 935.00	355.00	4,500.00	(4,145.00)	1,220.00
Promotion & Entertainment	\$	\$	\$	\$	508.00	0.00	508.00	0.00
Internal Control Audit/Review	\$	\$ 5,500.00	\$ (5,500.00)	\$ 4,850.00	4,315.00	5,500.00	(1,185.00)	5,240.00
Audit and Tax Returns	\$ 8,178.95	\$ 50,000.00	\$ (41,821.05)	\$ 11,496.73	48,152.63	50,000.00	(1,847.37)	62,131.98
Rent	\$ 6,855.92	\$ 6,900.00	\$ (44.08)	\$ 6,204.96	20,916.53	20,700.00	216.53	18,614.88
Telephone	\$ 412.67	\$ 350.00	\$ 62.67	\$ 301.23	1,194.30	1,050.00	144.30	734.36
Management Travel	\$ 1,220.20	\$ 2,500.00	\$ (1,279.80)	\$ 958.20	4,892.23	7,500.00	(2,607.77)	5,575.09
Payroll Processing Fees	\$ 210.62	\$ 225.00	\$ (14.38)	\$ 195.58	540.26	675.00	(134.74)	492.18
Board of Directors Fees	\$ 13,500.00	\$ 13,500.00	\$	\$ 9,000.00	40,500.00	40,500.00	0.00	27,000.00
Shareholders Annual Meeting + 100 Yr Party	\$ 1,649.10	\$	\$ 1,649.10	\$	1,649.10	0.00	1,649.10	0.00
Board Travel and Meals	\$ 921.83	\$	\$ 921.83	\$	10,035.97	7,000.00	3,035.97	7,603.68
Executive Compensation Committee Fee's	\$	\$	\$	\$	\$	\$	\$	\$
Dead Storage	\$	\$	\$	\$	\$	\$	\$	\$
Charitable Contributions	\$	\$	\$	\$	\$	\$	\$	\$
Burke & Herbert Prepayment Penalty	\$	\$	\$	\$	\$	\$	\$	\$
<b>Total Operating Expenses</b>	\$ 122,190.63	\$ 180,798.00	\$ (58,607.37)	\$ 95,101.18	\$ 430,517.42	\$ 401,177.00	\$ 29,340.42	\$ 288,894.37
<b>Net Operating Income</b>	\$ 46,334.70	\$ (9,905.00)	\$ 56,239.70	\$ (128,838.90)	\$ 31,179.18	\$ 168,643.00	\$ (137,463.82)	\$ (208,785.09)
Other Income and Expenses								
Miscellaneous Income								
Unamortized Loan Fee's								
Washington Securities Interest								
Subordinated Debentures								
Interest Income	\$ 455.13	\$ 1,200.00	\$ (530.79)	\$ 476.06	2,052.61	3,600.00	(1,547.39)	1,427.80
<b>Total Other Income and Expenses</b>	\$ 455.13	\$ 1,200.00	\$ (530.79)	\$ (2,700.38)	2,052.61	3,600.00	(1,547.39)	(8,101.52)
<b>Net Income</b>	\$ 46,789.83	\$ (8,705.00)	\$ 55,708.91	\$ (131,539.28)	\$ 33,231.79	\$ 172,243.00	\$ (139,011.21)	\$ (216,886.61)
<b>Net Income (Less revenues on Lots)</b>	\$ 46,789.83	\$ (8,705.00)	\$ 55,708.91	\$ (131,539.28)	\$ 33,231.79	\$ 172,243.00	\$ (139,011.21)	\$ (216,886.61)

W.C. and A.N. Miller Development Company  
2011/2012 Cash Flow Statement  
**Comparison**

	December 2011 Month Actual	December 2011 Month Budget	December 2011 Variance	December 2010 Prior Year	Total Actual Year to Date	Total Budget Year to Date	Total Variance	Total Prior Year to Date
<b>Adjustments to reconcile net income to net cash provided by Operations</b>								
Amortization/Depreciation	\$ 167,325.40	\$ 167,301.00	\$ 24.40	\$ 180,989.10	\$ 501,976.20	\$ 501,903.00	\$ 73.20	\$ 180,989.10
Accounts receivable	\$ (232,183.41)	\$ -	\$ (232,183.41)	\$ 84,509.00	\$ (157,250.30)	\$ -	\$ (157,250.30)	\$ 84,509.00
Required Building Improvements	\$ (707.90)	\$ (65,944.00)	\$ 65,236.10	\$ (28.00)	\$ (61,489.00)	\$ (165,416.00)	\$ 103,927.00	\$ (28.00)
Optional Building Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant Improvements	\$ (2,418.40)	\$ (136,171.00)	\$ 133,752.60	\$ (19,264.00)	\$ (17,814.79)	\$ (386,932.00)	\$ 369,117.21	\$ (19,264.00)
Leasing Commission	\$ (57,369.10)	\$ (30,235.00)	\$ (27,134.10)	\$ (10,449.00)	\$ (97,817.35)	\$ (144,527.00)	\$ 46,709.65	\$ (10,449.00)
Notes Receivable	\$ 1,754.20	\$ 1,741.00	\$ 13.20	\$ 5,830.00	\$ 5,223.53	\$ 5,184.00	\$ 39.53	\$ 5,830.00
Real Estate Tax Escrows	\$ (63,428.50)	\$ (62,872.00)	\$ (556.50)	\$ 67,594.00	\$ (69,732.68)	\$ (68,055.50)	\$ (1,677.18)	\$ 67,594.00
Accrued Real Estate Taxes	\$ 72,786.00	\$ 101,240.00	\$ (28,454.00)	\$ 104,721.32	\$ 218,358.00	\$ 303,720.00	\$ (85,362.00)	\$ 104,721.32
Real-estate Tax Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Expenses	\$ (93,524.53)	\$ -	\$ (93,524.53)	\$ (96,638.15)	\$ (110,849.48)	\$ -	\$ (110,849.48)	\$ (96,638.15)
2007 Payroll tax payments	\$ (11,000.00)	\$ (11,000.00)	\$ -	\$ (11,000.00)	\$ (33,000.00)	\$ (33,000.00)	\$ -	\$ (11,000.00)
Springvale Meadows Expense	\$ (5,630.00)	\$ (3,000.00)	\$ (2,630.00)	\$ -	\$ (21,606.00)	\$ (21,000.00)	\$ (606.00)	\$ -
Minority Interest	\$ (201.96)	\$ -	\$ (201.96)	\$ -	\$ (293.46)	\$ -	\$ (293.46)	\$ (3,144.00)
Prepaid Expenses	\$ 36,040.94	\$ -	\$ 36,040.94	\$ (3,144.00)	\$ 138,287.13	\$ -	\$ 138,287.13	\$ (813.37)
Prepaid Insurance	\$ 5,781.25	\$ 6,152.00	\$ (370.75)	\$ (813.37)	\$ 5,781.23	\$ 18,456.00	\$ (12,674.77)	\$ 7,411.62
Accounts Payable	\$ 57,914.17	\$ -	\$ 57,914.17	\$ 7,411.62	\$ 8,089.88	\$ -	\$ 8,089.88	\$ (10,425.41)
Security Deposits	\$ 2,052.00	\$ -	\$ 2,052.00	\$ (10,425.41)	\$ 15,070.06	\$ -	\$ 15,070.06	\$ 4,828.00
Prepaid RE Tax Income	\$ -	\$ -	\$ -	\$ 4,828.00	\$ -	\$ -	\$ -	\$ (7,892.00)
Prepaid Rent Income	\$ 228,514.72	\$ -	\$ 228,514.72	\$ (7,892.00)	\$ 177,185.31	\$ -	\$ 177,185.31	\$ (9,776.00)
Cost of Sale Sunshine Brooke LLC	\$ -	\$ -	\$ -	\$ (9,776.00)	\$ -	\$ -	\$ -	\$ -
Washington Securities Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Write off Burke & Herbert Loan Fee's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing cost Cardinal Bank Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payment to Washington Securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Adjustments</b>	\$ 105,704.88	\$ (32,788.00)	\$ 138,492.88	\$ 296,229.11	\$ 500,118.28	\$ 10,332.50	\$ 489,785.78	\$ 286,453.11
<b>Net Cash provided from Operations</b>	\$ 152,494.71	\$ (41,493.00)	\$ 194,201.79	\$ 164,689.83	\$ 533,350.07	\$ 182,575.50	\$ 350,774.57	\$ 69,566.50

W.C. and A.N. Miller Development Company  
2011/2012 Cash Flow Statement  
**Comparison**

	December 2011 Month Actual	December 2011 Month Budget	December 2011 Variance	December 2010 Prior Year	Total Actual Year to Date	Total Budget Year to Date	Total Variance	Total Prior Year to Date
Increase or (Decrease) in Long Term Debt	\$ (109,148.28)	\$ (108,990.18)	\$ (158.10)	\$ (107,464.47)	\$ (323,315.38)	\$ (321,746.25)	\$ (1,569.13)	\$ (318,189.83)
Net Increase (Decrease) in Cash (FREE CASH FLOW)	\$ 43,346.43	\$ (150,483.18)	\$ 194,043.69	\$ 57,225.36	\$ 210,034.69	\$ (139,170.75)	\$ 349,205.44	\$ (248,623.33)
Shareholder Dividend	\$ -		\$	\$ 50,000.00			\$	\$ 100,000.00
Cash Balance at Beginning of Period	\$ 2,835,332.60	\$ 2,609,180.52	\$ 226,152.08	\$ 1,654,644.68	\$ 2,563,644.63	\$ 2,597,868.09	\$ 2,597,868.09	\$ 1,557,845.66
Increase (Decrease) in cash during period	\$ 43,346.43	\$ (150,483.18)	\$ 193,829.61	\$ (2,550.64)	\$ 210,034.69	\$ (139,170.75)	\$ 349,205.44	\$ 94,248.38
Cash at End of Period	\$ 2,878,679.03	\$ 2,458,697.34	\$ 419,981.69	\$ 1,652,094.04	\$ 2,773,679.32	\$ 2,458,697.34	\$ 314,981.98	\$ 1,652,094.04

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