

W.C.&A.N. MILLER DEVELOPMENT COMPANY

Established in 1912

March 4, 2014

Dear Shareholder:

Enclosed is the 2013/2014 Budget and First Quarter Financial Statements for the period ending on December 31, 2013. You were previously sent the Financial Statements for the W.C. and A.N. Miller Development Company and Subsidiaries with the mailing that was sent out on December 28, 2013 and if you cannot locate your copy of the report it is posted on the Company's website.

The 2013 Fiscal Year was an excellent year for the Miller Company. We believe that your Company is in far better financial condition at the end of this Fiscal Year than at any time in our recent past.

Financial Statement for the Fiscal Year ending September 20, 2013

1. Balance Sheet:

Our current Total Assets have increased by \$8,806,223 primarily attributable to an increase in Accounts Receivable of \$2.2 million due to the renegotiation of the Crate and Barrel lease and an increase in cash of \$4,167,670 along with our investment account of \$2,824,080.

2. Income Statement:

Total Rental Income of \$18,176,558 is up \$2,999,103 from last year and over Budget by \$1,757,519. Rental Expenses are over last year by \$106,578 and over Budget by \$118,490. Depreciation at \$2,068,685 is in line with last year but over Budget by \$114,188. Interest Expense of \$4,550,553 is approximately \$476,095 below last year but in line with Budget. Real Estate taxes of \$1,364,929 is \$67,868 over last year but in line with Budget. Net Rental Income of \$5,658,579 is better than last year by \$3,260,640. Operating Expenses of \$1,317,851 is below last year by approximately \$112,634 and under Budget by approximately \$35,681 which is primarily attributable to fewer legal fees paid for the Haymount LP litigation. For the year ending September 30, 2013, the Company realized a net profit of \$5,052,790. A more detailed analysis can be found in the Supplementary Schedules at the back of the Financial Statements.

Fiscal Year 2012/2013 Company Update

Listed below are some of the accomplishments of the Company during the past Fiscal Year.

- We prevailed in the Haymount lawsuit with the Appellate Court affirming the grant of Summary Judgment in our favor, and effectively ending this litigation.
- We refinanced the Spring Valley Retail loan with Cardinal Bank which lowered the rate from 4.85% to 4.35% and the Company realized an additional \$2.2 million in loan proceeds.
- The Company paid out \$6,350,000 in dividends.
- Leasing Activity:
 - a. Renewed 39,919 square feet of space;
 - b. New tenants rented 10,282 square feet of space;
 - c. We achieved a reduction in vacancy for the Offices by 3.77% giving us a 97.82% occupancy;
 - d. Increased our vacancy for the Retail portion of our portfolio to 3.53%;
 - e. Decreased vacancy rate at the Office portion of the Shops at Sumner Place to 6.75% and had no vacancy in the Retail section;
 - f. Decreased vacancy in the Spring Valley Offices to 2% but increased the vacancy in the Retail section to 8.18%.
 - g. Maintained a 92.2% occupancy at Sumner Highlands.
- Cash at the start of the Year was \$1,434,684; Cash at the end of the Year was \$5,602,354; an increase during the 2012/2013 Fiscal Year of \$4,167,670.

First Quarter Update for period ending December 31, 2012

1. Balance Sheet:

Total Assets have increased by \$80,416.53 since the beginning of the Fiscal Year primarily due to the completion of the last of the deferred maintenance projects throughout the portfolio. Our current cash is \$4,944,051.14. There was an increase in Liabilities of \$80,416.53 for the quarter which is primarily due to the decrease of Long Term Debt.

2. Income Statement:

Our Net Rental Income is over Budget by \$73,466.30 which is primarily due to a decrease in budgeted Rental Expenses. This is a timing delay due to the weather and these Expenses will be incurred come Spring. Operating Expenses are over Budget by \$19,300.12 for the quarter resulting in Net Income of \$565,711.76 versus Budget of \$267,563.63 which increase is due to the gain unrealized in our long term investment accounts. Our leasing activity continues to be strong. We have successfully leased and/or renewed approximately 10,932

square feet of space so that our office vacancy has been reduced to 4.63%, retail vacancy to 3.53% and residential to 12.8%.

This concludes our report to the Shareholders. Should you have any questions in regards to these or any other matters, please do not hesitate to call Rob [443-315-9721] or e-mail him [rmiller@wcanmiller.com].

Sincerely,

A handwritten signature in blue ink that reads "Robert R. Miller". The signature is fluid and cursive, with a long horizontal flourish at the end.

Robert R. Miller
Chief Executive Officer

A handwritten signature in blue ink that reads "Michael C. J. Fallon". The signature is cursive, with a small "mu" or similar mark at the bottom right.

Michael C. J. Fallon
Chairman of the Board

Enclosures

W.C. and A.N. Miller Development Company
2013/2014 **Adjusted** Budget
Summary

	Total Budget 2013/2014
Rental Activities	
Rent Income	\$ 16,678,962.00
Rent Expenses	\$ (4,312,688.00)
Real Estate Taxes	\$ (1,426,074.00)
Amortization/Depreciation	\$ (2,120,943.00)
Debt Service - Interest	<u>\$ (4,513,559.00)</u>
Net Rental Income	\$ 4,305,698.00
Gross Profit	\$ 4,305,698.00
Total Operating Expenses	\$ 1,433,360.00
Total Other Income and Expenses	\$ (99,977.19)
Net Income	\$ 2,772,360.81
Total Adjustment to Reconcile Net Income to Cash	\$ (566,876.00)
Net Cash provided from Operations	\$ 2,205,484.81
Increase or (Decrease) in Long Term Debt	\$ (2,510,530.77)
Net Increase (Decrease) in Cash (Free Cash Flow)	\$ (305,045.96)
Shareholder Payments	\$ -
Cash Balance at Beginning of Period	\$ 5,600,705.52
Increase (Decrease) in Cash during Period	<u>\$ (305,045.96)</u>
Cash at End of Period	\$ 5,295,659.56

W.C. and A.N. Miller Development Company
2013/2014 **Adjusted Budget**
Comparison

	Total Budget 2013/2014	Total Actual 2012/2013	Difference Budget 2014 v Actual 2013	Variance
Rental Activities				
Rent Income	\$ 16,678,962.00	\$ 18,168,204.90	\$ (1,489,242.90)	-8%
Rent Expenses	\$ (4,312,688.00)	\$ (4,527,018.29)	\$ 214,330.29	-5%
Real Estate Taxes	\$ (1,426,074.00)	\$ (1,364,928.19)	\$ (61,145.81)	4%
Amortization/Depreciation	\$ (2,120,943.00)	\$ (2,074,207.96)	\$ (46,735.04)	2%
Debt Service - Interest	\$ (4,513,559.00)	\$ (4,550,553.48)	\$ 36,994.48	-1%
Net Rental Income	\$ 4,305,698.00	\$ 5,651,496.98	\$ (1,345,798.98)	-24%
Gross Profit	\$ 4,305,698.00	\$ 5,651,496.98	\$ (1,345,798.98)	-24%
Operating Expenses				
Bank Charges	\$ 2,400.00	\$ 1,478.99	\$ 921.01	62%
Management Fees investment account	\$ 7,000.00	\$ 5,120.45	\$ 1,879.55	37%
Computer Consultant	\$ 12,000.00	\$ 16,614.29	\$ (4,614.29)	-28%
Computer Supplies	\$ 3,200.00	\$ 5,666.97	\$ (2,466.97)	-44%
Executive Compensation	\$ 337,500.00	\$ 275,000.04	\$ 62,499.96	23%
Executive Bonus (2012/2013 Fiscal Year)	\$ 150,000.00	\$ 100,000.00	\$ 50,000.00	50%
Office Administration	\$ 107,100.00	\$ 112,000.00	\$ (4,900.00)	-4%
Payroll Burden	\$ 31,500.00	\$ 22,317.37	\$ 9,182.63	41%
Office telephone and internet service	\$ 7,200.00	\$ 4,517.87	\$ 2,682.13	59%
General Insurance	\$ 29,000.00	\$ 28,632.95	\$ 367.05	1%
Legal - General	\$ 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	\$ 60,000.00	\$ 80,462.10	\$ (20,462.10)	-25%
Benefits	\$ 34,000.00	\$ 33,849.86	\$ 150.14	0%
Management Meals	\$ 6,900.00	\$ 5,602.96	\$ 1,297.04	23%
Offices Supplies	\$ 7,200.00	\$ 12,453.31	\$ (5,253.31)	-42%
Other Taxes and Licenses	\$ 1,600.00	\$ 3,856.41	\$ (2,256.41)	-59%
Other Real Estate Taxes	\$ 6,600.00	\$ 5,565.78	\$ 1,034.22	19%
Postage	\$ 4,500.00	\$ 3,251.85	\$ 1,248.15	38%
Accounting	\$ 14,400.00	\$ 10,071.50	\$ 4,328.50	43%
Promotion & Entertainment	\$ 4,200.00	\$ 39,569.12	\$ (35,369.12)	-89%
Internal Control Audit/Review	\$ 6,000.00	\$ 3,385.00	\$ 2,615.00	77%
Audit and Tax Returns	\$ 57,000.00	\$ 43,075.00	\$ 13,925.00	32%
Rent	\$ 108,000.00	\$ 12,050.00	\$ 95,950.00	796%
Cell Phones and Mobile devices	\$ 9,000.00	\$ 7,119.73	\$ 1,880.27	26%
Management Travel	\$ 42,000.00	\$ 25,544.75	\$ 16,455.25	64%
Payroll Processing Fees	\$ 4,800.00	\$ 4,498.02	\$ 301.98	7%
Board of Directors Fees	\$ 216,000.00	\$ 222,000.00	\$ (6,000.00)	-3%
Shareholders Annual Meeting	\$ 2,000.00	\$ 1,210.66	\$ 789.34	65%
Board Travel and Meals	\$ 30,000.00	\$ 33,905.16	\$ (3,905.16)	-12%
Charitable Contributions	\$ 2,000.00	\$ 11,800.00	\$ (9,800.00)	-83%
Total Operating Expenses	\$ 1,433,360.00	\$ 1,208,929.07	\$ 224,430.93	19%
	\$ -	\$ -		
Net Operating Income	\$ 2,872,338.00	\$ 4,442,567.91	\$ (1,570,229.91)	-35%
Other Income and Expenses				
Miscellaneous Income	\$ -	\$ 64,427.04		0%
Unrealized Investment (Gain)/Loss	\$ -	\$ 329,154.00	\$ (329,154.00)	-100%
Debt Service Interest (Other)	\$ (105,977.19)	\$ (103,288.67)	\$ (2,688.52)	3%
Interest Income	\$ 6,000.00	\$ 6,254.56	\$ (254.56)	-4%
Total Other Income and Expenses	\$ (99,977.19)	\$ 609,680.56	\$ (709,657.75)	-116%
	\$ -	\$ -		
Net Income	\$ 2,772,360.81	\$ 5,052,248.47	\$ (2,279,887.66)	-45%

	Total Budget 2013/2014	Total Actual 2012/2013	Difference Budget 2014 v Actual 2013	Variance
Adjustments to reconcile net income to net cash provided by Operations				
Amortization/Depreciation	\$ 2,109,828.00	\$ 1,866,757.30	\$ 243,070.70	
Accounts receivable	\$ -	\$ (2,234,696.38)	\$ 2,234,696.38	
Required Building Improvements	\$ (97,500.00)	\$ (694,281.81)	\$ 596,781.81	
Optional Building Improvements	\$ (932,693.00)	\$ -	\$ (932,693.00)	
Tenant Improvements	\$ (1,266,829.00)	\$ (386,264.74)	\$ (880,564.26)	
Leasing Commission	\$ (408,080.00)	\$ (308,508.79)	\$ (99,571.21)	
Notes Receivable	\$ 28,398.00	\$ 39,496.42	\$ (11,098.42)	
Real Estate Tax Escrows	\$ (787,182.00)	\$ (261,116.33)	\$ (526,065.67)	
Escrow Fund Release	\$ 787,182.00	\$ 307,910.60	\$ 479,271.40	
Accrued Real Estate Taxes	\$ 1,426,074.00	\$ 412,679.00	\$ 1,013,395.00	
Real-estate Tax Payments	\$ (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	\$ (566,876.00)	\$ (1,865,940.21)	\$ 1,299,064.21	
Net Cash provided from Operations	\$ 2,205,484.81	\$ 3,186,308.26	\$ (980,823.45)	
Increase or (Decrease) in Long Term Debt	\$ (2,510,530.77)	\$ 9,829,714.19	\$ 7,319,183.42	
Net Increase (Decrease) in Cash (FREE CASH FLOW)	\$ (305,045.96)	\$ 13,016,022.45	\$ (13,321,068.41)	
Shareholder Payments	\$ -	\$ (6,350,000.00)	\$ (6,350,000.00)	
Cash Balance at Beginning of Period	\$ 5,600,705.52	\$ 1,434,683.07	\$ 4,166,022.45	
Increase (Decrease) in cash during period	\$ (305,045.96)	\$ 4,166,022.45	\$ (4,471,068.41)	
Cash at End of Period	\$ 5,295,659.56	\$ 5,600,705.52	\$ (305,045.96)	

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<div>W.C. and A.N. Miller Development Company</div> <div>2013/2014 Adjusted Budget</div> <div>CONSOLIDATED CASH FLOW STATEMENT</div>																	
	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%	
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					\$ 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%	
Defererred 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%	
Cash Flow from Operating Activities																	
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																	

	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
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	\$ 5,411,902.73	\$ 5,629,948.93	\$ 5,295,659.56	\$ 5,295,659.56	\$ 5,600,705.52	\$ (305,045.96)	

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

ASSETS

	12/31/2013	9/30/2013	Difference
Current Assets			
Cash and Cash Equivalents	\$ 4,944,051.14	\$ 5,600,705.52	(656,654.38)
Investments	2,492,730.85	2,494,925.95	(2,195.10)
Unrealized Investments Gain/Lo	565,860.48	329,154.00	236,706.48
Accounts Receivable, net	451,977.42	187,777.56	264,199.86
Straightline Rent	5,916,588.55	5,916,588.55	0.00
Miscellaneous Receivables	187.08	49,592.73	(49,405.65)
Provision for Loss	0.00	0.00	0.00
Other Receivables	922,712.21	929,623.77	(6,911.56)
Inventory	37,318.04	37,318.04	0.00
Prepaid Expenses	425,232.01	456,624.52	(31,392.51)
Total Current Assets	15,756,657.78	16,002,310.64	(245,652.86)
Fixed Assets			
Land	6,310,994.50	6,310,994.50	0.00
HLP, II Land	538,905.48	538,905.48	0.00
Buildings	50,080,645.98	49,724,367.54	356,278.44
Property and Equipment	473,700.84	462,707.86	10,992.98
Capital Improvements - Opt	1,876.00	1,876.00	0.00
Building on 49th Street	37,711.61	36,738.61	973.00
Tenant Improvements	13,409,073.19	13,155,286.27	253,786.92
Less: Accumulated Depreciation	22,663,368.15	22,216,394.97	446,973.18
Net Fixed Assets	48,189,539.45	48,014,481.29	175,058.16
Other Assets			
Deferred Leasing Commissions,	1,375,119.99	1,397,114.65	(21,994.66)
Deferred Finance Charges, net	1,077,149.25	1,104,505.14	(27,355.89)
Deposit	17,630.05	17,630.05	0.00
Deferred Taxes	7,747,233.00	7,747,233.00	0.00
Real Estate Tax Escrow	269,347.48	68,985.70	200,361.78
Total Other Assets	10,486,479.77	10,335,468.54	151,011.23
TOTAL ASSETS	\$ 74,432,677.00	\$ 74,352,260.47	80,416.53

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities

Accounts Payable	\$ 104,320.90	\$ 267,036.67	(162,715.77)
Accrued Income Taxes	0.00	0.00	0.00
Accrued Expenses	1,535,110.15	1,287,980.33	247,129.82
Prepaid Income/RE	82,637.70	82,637.70	0.00
Security Deposits	448,731.80	458,490.22	(9,758.42)
Prepaid Rent Income	600,662.28	631,365.36	(30,703.08)

Total Current Liabilities	2,771,462.83	2,727,510.28	43,952.55
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Long-Term Liabilities

Notes Payable (1)	96,369,392.76	96,898,243.95	(528,851.19)
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Total Long-Term Liabilities	96,369,392.76	96,898,243.95	(528,851.19)
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Total Liabilities	99,140,855.59	99,625,754.23	(484,898.64)
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Minority Interest (2)	(6,803,872.56)	(6,803,475.00)	(397.56)
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Total Minority Interest	(6,803,872.56)	(6,803,475.00)	(397.56)
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Stockholders' Deficit

Common Stock	800,200.00	800,200.00	0.00
Dividend	0.00	(6,350,000.00)	6,350,000.00
Retained Earnings (Deficit)	(18,704,506.03)	(12,920,218.76)	(5,784,287.27)

Total Stockholders' Deficit	(17,904,306.03)	(18,470,018.76)	565,712.73
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TOTAL LIABILITIES & STOCKHOLDERS' DEFICIT	\$ 74,432,677.00	\$ 74,352,260.47	80,416.53
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1. Notes Payable of 8,250,229.96 is offset by a Notes Receivable of 825,023 which is the cash of the 8,250,229.96 from Haymount Limited Partnership to W.C. and A.N. Miller Development Company.

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

W.C. and A.N. Miller Development Company
First Quarter Long Term Debt
for the period ending December 31, 2013

	12/31/2013	9/30/2013	Difference
Promissory Notes	\$ 4,124,582.00	4,303,288.67	\$ (178,706.67)
Key Bank Loan	16,926,271.31	16,995,500.81	\$ (69,229.50)
N/P - TIAA Loan	21,260,772.48	21,331,140.76	\$ (70,368.28)
N/P - Haymount Mezz	8,250,229.83	8,250,229.83	\$ -
N/P - Cardinal Loan - SVR	16,372,931.55	16,450,779.62	\$ (77,848.07)
N/P - Guardian Loan	29,434,605.59	29,567,304.26	\$ (132,698.67)
Total Long Term Debt	\$ 96,369,392.76	\$ 96,898,243.95	\$ (528,851.19)

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
Year to Date Income Statement
for the period ending December 31, 2013

	Year to Date Actual	Year to Date Budget	Year to Date Variance
Rental Activities			
Rent Income	3,949,755.78	3,971,250.00	(21,494.22)
Rent Expenses	(1,030,915.49)	(1,130,038.00)	99,122.51
Real Estate Taxes	(359,039.51)	(355,338.00)	(3,701.51)
Depreciation	(530,235.57)	(530,236.00)	0.43
Debt Service-Interest	(1,135,316.91)	(1,134,856.00)	(460.91)
Net Rental Income	<u>894,248.30</u>	<u>820,782.00</u>	<u>73,466.30</u>
Gross Profit	<u>894,248.30</u>	<u>820,782.00</u>	<u>73,466.30</u>
Operating Expenses			
Bank Charges	439.69	600.00	(160.31)
Schwab - ABP Fee	430.54	0.00	430.54
Schwab - Mgt Fee	1,765.05	1,750.00	15.05
Computer Supplies	984.00	1,400.00	(416.00)
Computer Consultant	4,175.00	3,000.00	1,175.00
Office Administration	36,775.00	26,775.00	10,000.00
Dues and Subscriptions	89.00	0.00	89.00
General Insurance	33,651.25	29,000.00	4,651.25
Legal - General	11,848.22	15,000.00	(3,151.78)
Legal - Haymount	27,208.81	20,000.00	7,208.81
Benefits	5,688.36	8,499.99	(2,811.63)
Management Meals	3,611.08	2,400.00	1,211.08
Office Supplies	9,461.01	1,800.00	7,661.01
Other Taxes and Licenses	836.85	500.00	336.85
Payroll Taxes	6,211.71	9,000.00	(2,788.29)
Postage	1,823.27	1,125.00	698.27
Accounting	160.00	3,600.00	(3,440.00)
Review/Tax Returns/Fin St.	55,517.40	57,000.00	(1,482.60)
Internal Control Review	3,725.60	6,000.00	(2,274.40)
Promotion and Entertainment	249.44	1,050.00	(800.56)
Charitable Contribution	1,000.00	500.00	500.00
Rent	26,660.04	27,000.00	(339.96)
Executive Compensation	84,375.00	84,375.00	0.00
Executive Bonus	150,000.00	150,000.00	0.00
Executive Compensation Committee Fees	9,500.00	0.00	9,500.00
Office Phone & Internet	1,539.30	1,800.00	(260.70)

Cell Phones & Mobile Devices	3,654.74	2,250.00	1,404.74
Management Travel	6,406.11	10,500.00	(4,093.89)
Payroll Processing Fees	1,362.52	1,200.00	162.52
Board of Directors Fees	54,000.00	54,000.00	0.00
House Plans for Neighbors	(164.70)	0.00	(164.70)
RE Tax Expense	2,799.72	3,300.00	(500.28)
Board Travel and Meals	6,941.10	10,000.00	(3,058.90)
Total Operating Expenses	552,725.11	533,424.99	19,300.12
Net Operating Income	341,523.19	287,357.01	54,166.18
Other Income and Expenses			
Miscellaneous Income	7,465.00	0.00	7,465.00
Interest Income	1,310.91	1,500.00	(189.09)
Interest Dividend Income	(0.49)	0.00	(0.49)
Debt Service (Interest) Other	(21,293.33)	(21,293.38)	0.05
Unrealized Investment Gain/Loss	236,706.48	0.00	236,706.48
Total Other Income and Expenses	224,188.57	(19,793.38)	243,981.95
Net Income	\$ 565,711.76	\$ 267,563.63	\$ 298,148.13

W.C. and A.N. MILLER COMPANIES
STATEMENT OF CASH FLOW
For the Period Ended December 2013

	Current Month	Year to Date
Cash Flows for Operating Activities:		
Net Income	16,526.77	565,712.73
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Dividend		-
Depreciation and amortization	165,752.21	518,721.49
Unrealized Investment Gain/Loss	(64,501.13)	(236,706.48)
Loss on disposition of fixed assets		-
Income allocated to minority interest	(213.84)	(397.56)
Accounts receivable	(171,442.05)	(214,794.21)
Other receivables	2,320.90	6,911.55
Inventory		-
Deferred income taxes		-
Prepaid expenses	52,736.60	(8,633.32)
Current maturities of long term debt		-
Accounts payable	(113,224.71)	(162,715.77)
Accrued income taxes		-
Accrued expenses	71,736.71	247,129.82
Security deposits	(8,966.75)	(9,758.42)
Prior Tenant Clearing (SH)		-
Prepaid Real Estate Tax Income		40,025.83
Prepaid rent income	140,755.89	(30,703.08)
Total Adjustments	<u>74,953.83</u>	<u>149,079.85</u>
Net Cash Provided by (Used for) Operating Activities	<u>91,480.60</u>	<u>714,792.58</u>
Cash Flow for Investing Activities:		
Acquisition of fixed assets	(465,690.88)	(609,544.26)
Acquisition of deferred financing charges		-
Acquisition of deferred Leasing Commissions	(30,289.44)	(33,911.84)
Acquisition of real estate tax escrow	(80,310.56)	(200,361.78)
Acquisition of Investments	144.19	2,195.10
Development of 49th Street Lot	(973.00)	(973.00)
Acquisition of water escrow	-	-
Disposition of guaranty reserve	-	-
Disposition of deposit	-	-
Net Cash Used for Investing Activities	<u>(577,119.69)</u>	<u>(842,595.78)</u>
Cash Flow for Financing Activities:		
Disposition of long term debt	(207,346.73)	(528,851.19)
Acquisition of long term debt		
Net Cash Used for Financing Activities	<u>(207,346.73)</u>	<u>(528,851.19)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(692,985.82)	(656,654.39)
Cash and cash equivalents, Beginning of Period	<u>5,637,036.96</u>	<u>5,600,705.52</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>4,944,051.14</u>	<u>4,944,051.13</u>