

American Yacht Harbor
Income Statement
For the Six Months Ending June 30, 2017

| | June 2017 | | | | Quarter to Date | | | | Year to Date | | | |
|----------------------------------------------|----------------|----------------|-----------------|----------------|------------------|------------------|-----------------|----------------|------------------|------------------|------------------|----------------|
| | Actual | Budget | Var \$ | Var % | Actual | Budget | Var \$ | Var % | Actual | Budget | Var \$ | Var % |
| Revenues | | | | | | | | | | | | |
| Marina Slip Revenue | 165,736 | 122,946 | 42,790 | 34.8% | 505,649 | 456,128 | 49,521 | 10.9% | 1,022,845 | 932,988 | 89,857 | 9.6% |
| Marina Slip Discounts | (3,399) | (2,255) | (1,144) | (50.7%) | (11,184) | (6,145) | (5,039) | (82.0%) | (20,598) | (11,811) | (8,787) | (74.4%) |
| Upland Revenue | 122,219 | 132,329 | (10,110) | (7.6%) | 347,975 | 390,685 | (42,710) | (10.9%) | 695,443 | 747,273 | (51,830) | (6.9%) |
| Marina Concierge Services | 8,597 | 5,287 | 3,310 | 62.6% | 24,218 | 18,965 | 5,253 | 27.7% | 48,354 | 41,347 | 7,007 | 16.9% |
| Utility Revenue | 112,125 | 93,133 | 18,992 | 20.4% | 283,164 | 254,683 | 28,481 | 11.2% | 525,313 | 507,487 | 17,826 | 3.5% |
| Fuel | 232,224 | 181,180 | 51,044 | 28.2% | 593,461 | 493,974 | 99,487 | 20.1% | 1,131,505 | 986,407 | 145,098 | 14.7% |
| Merchandise | 12,184 | 7,457 | 4,727 | 63.4% | 24,516 | 18,571 | 5,945 | 32.0% | 42,310 | 37,383 | 4,927 | 13.2% |
| Pass Through Expenses | 42,417 | 44,222 | (1,805) | (4.1%) | 126,364 | 131,198 | (4,834) | (3.7%) | 248,138 | 251,662 | (3,524) | (1.4%) |
| Other | 7,430 | 3,882 | 3,548 | 91.4% | 27,366 | 12,695 | 14,671 | 115.6% | 53,423 | 28,402 | 25,021 | 88.1% |
| Total Revenues | 699,533 | 588,181 | 111,352 | 18.9% | 1,921,529 | 1,770,754 | 150,775 | 8.5% | 3,746,733 | 3,521,138 | 225,595 | 6.4% |
| Direct Costs | | | | | | | | | | | | |
| Marina Concierge Services | | 489 | 489 | 100.0% | 1,160 | 1,754 | 594 | 33.9% | 2,455 | 3,824 | 1,369 | 35.8% |
| Utilities | 56,391 | 51,000 | (5,391) | (10.6%) | 147,788 | 139,624 | (8,164) | (5.8%) | 273,088 | 273,420 | 332 | 0.1% |
| Utilities cost % | 50.29 | 54.76 | 4.47 | 0.08 | 52.19 | 54.82 | 2.63 | 0.05 | 51.99 | 53.88 | 1.89 | 0.04 |
| Fuel | 136,885 | 104,615 | (32,270) | (30.8%) | 321,565 | 284,984 | (36,581) | (12.8%) | 667,643 | 568,198 | (99,445) | (17.5%) |
| Fuel cost % | 58.95 | 57.74 | (1.20) | (0.02) | 54.18 | 57.69 | 3.51 | 0.06 | 59.00 | 57.60 | (1.40) | (0.02) |
| Merchandise | 9,589 | 5,118 | (4,471) | (87.4%) | 22,374 | 12,747 | (9,627) | (75.5%) | 33,010 | 25,658 | (7,352) | (28.7%) |
| Total Direct Costs | 202,865 | 161,222 | (41,643) | (25.8%) | 492,887 | 439,109 | (53,778) | (12.2%) | 976,196 | 871,100 | (105,096) | (12.1%) |
| Gross Profit | 496,668 | 426,959 | 69,709 | 16.3% | 1,428,642 | 1,331,645 | 96,997 | 7.3% | 2,770,537 | 2,650,038 | 120,499 | 4.5% |
| Gross Profit % | 71.00 | 72.59 | 1.59 | 0.02 | 74.35 | 75.20 | 0.85 | 0.01 | 73.95 | 75.26 | 1.32 | 0.02 |
| Payroll & Employee Benefits | | | | | | | | | | | | |
| Total Payroll | 75,533 | 68,897 | (6,636) | (9.6%) | 212,407 | 208,986 | (3,421) | (1.6%) | 420,148 | 415,673 | (4,475) | (1.1%) |
| Total Employee Benefits | 26,687 | 23,891 | (2,796) | (11.7%) | 64,538 | 72,150 | 7,612 | 10.6% | 129,862 | 148,720 | 18,858 | 12.7% |
| Total Payroll & Employee Benefits | 102,220 | 92,788 | (9,432) | (10.2%) | 276,945 | 281,136 | 4,191 | 1.5% | 550,010 | 564,393 | 14,383 | 2.5% |
| Other Operating Expenses | | | | | | | | | | | | |
| Rent | 13,333 | 13,333 | | | 35,000 | 39,999 | 4,999 | 12.5% | 80,000 | 79,998 | (2) | (0.0%) |
| Utilities Unallocated | 99 | 7,499 | 7,400 | 98.7% | 20,044 | 22,072 | 2,028 | 9.2% | 48,083 | 43,720 | (4,363) | (10.0%) |
| Utilities | 5,715 | 8,932 | 3,217 | 36.0% | 17,433 | 27,059 | 9,626 | 35.6% | 35,189 | 53,603 | 18,414 | 34.4% |
| Insurance | 18,347 | 19,509 | 1,162 | 6.0% | 56,087 | 58,497 | 2,410 | 4.1% | 112,697 | 116,934 | 4,237 | 3.6% |
| Management Fees | 34,976 | 29,409 | (5,567) | (18.9%) | 96,084 | 88,538 | (7,546) | (8.5%) | 187,337 | 176,057 | (11,280) | (6.4%) |
| Taxes | 14,922 | 11,856 | (3,066) | (25.9%) | 38,695 | 33,197 | (5,498) | (16.6%) | 74,111 | 66,233 | (7,878) | (11.9%) |
| Repairs & Maintenance | 7,860 | 7,298 | (562) | (7.7%) | 19,204 | 21,894 | 2,690 | 12.3% | 43,088 | 43,788 | 700 | 1.6% |
| Supplies | 3,461 | 3,173 | (288) | (9.1%) | 12,736 | 11,269 | (1,467) | (13.0%) | 24,950 | 20,788 | (4,162) | (20.0%) |
| Marketing | 3,325 | 2,260 | (1,065) | (47.1%) | 9,899 | 15,080 | 5,181 | 34.4% | 18,401 | 29,160 | 10,759 | 36.9% |
| Professional Fees | 11,134 | 14,021 | 2,887 | 20.6% | 26,962 | 42,563 | 15,601 | 36.7% | 50,002 | 86,211 | 36,209 | 42.0% |
| Travel Expenses | 1,091 | | (1,091) | | 1,091 | | (1,091) | | 1,785 | 1,500 | (285) | (19.0%) |
| Provision for Doubtful Accounts | (3,852) | 3,000 | 6,852 | 228.4% | (13,537) | 9,000 | 22,537 | 250.4% | (35,601) | 18,000 | 53,601 | 297.8% |
| Telephone | 1,537 | 1,399 | (138) | (9.9%) | 4,592 | 4,197 | (395) | (9.4%) | 7,341 | 8,394 | 1,053 | 12.5% |
| Credit Card Commission | 14,187 | 12,273 | (1,914) | (15.6%) | 43,557 | 33,853 | (9,704) | (28.7%) | 81,930 | 66,049 | (15,881) | (24.0%) |
| Donations | 3,750 | 3,542 | (208) | (5.9%) | 11,250 | 10,626 | (624) | (5.9%) | 22,500 | 21,252 | (1,248) | (5.9%) |
| Information Technology | 1,185 | 1,425 | 240 | 16.8% | 4,847 | 4,275 | (572) | (13.4%) | 8,403 | 8,550 | 147 | 1.7% |
| Other Operating Expenses | 136 | 131 | (5) | (3.8%) | 850 | 393 | (457) | (116.3%) | 1,281 | 786 | (495) | (63.0%) |
| Total Other Operating Expense | 131,206 | 139,060 | 7,854 | 5.6% | 384,794 | 422,512 | 37,718 | 8.9% | 761,497 | 841,023 | 79,526 | 9.5% |
| Total Operating Expenses | 233,426 | 231,848 | (1,578) | (0.7%) | 661,739 | 703,648 | 41,909 | 6.0% | 1,311,507 | 1,405,416 | 93,909 | 6.7% |
| Operating Expense % | 33.37 | 39.42 | 6.05 | 0.15 | 34.44 | 39.74 | 5.30 | 0.13 | 35.00 | 39.91 | 4.91 | 0.12 |
| Net Operating Income | 263,242 | 195,111 | 68,131 | 34.9% | 766,903 | 627,997 | 138,906 | 22.1% | 1,459,030 | 1,244,622 | 214,408 | 17.2% |
| NOI % | 37.63 | 33.17 | (4.46) | (0.13) | 39.91 | 35.46 | (4.45) | (0.13) | 38.94 | 35.35 | (3.59) | (0.10) |
| Fixed Costs | | | | | | | | | | | | |
| 3rd Party Cash Interest Expense | 49,762 | 44,685 | (5,077) | (11.4%) | 151,105 | 135,674 | (15,431) | (11.4%) | 301,653 | 276,174 | (25,479) | (9.2%) |
| 3rd Party Interest Income | (317) | | 317 | | (851) | | 851 | | (2,224) | | 2,224 | |
| Depreciation | 76,553 | 80,830 | 4,277 | 5.3% | 230,016 | 241,118 | 11,102 | 4.6% | 460,049 | 478,169 | 18,120 | 3.8% |
| Amortization | 9,974 | | (9,974) | | 29,923 | | (29,923) | | 59,846 | | (59,846) | |
| Accretion | 2,601 | | (2,601) | | 7,803 | | (7,803) | | 15,605 | | (15,605) | |
| Income(Loss) Before Other Costs | 124,669 | 69,596 | 55,073 | 79.1% | 348,907 | 251,205 | 97,702 | 38.9% | 624,101 | 490,279 | 133,822 | 27.3% |
| Net Income | 124,669 | 69,596 | 55,073 | 79.1% | 348,907 | 251,205 | 97,702 | 38.9% | 624,101 | 490,279 | 133,822 | 27.3% |

American Yacht Harbor

Balance Sheet

June 30, 2017

UNAUDITED

| | <u>December 2016</u> | <u>June 2017</u> |
|---------------------------------------------|----------------------|------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$1,700 | \$1,700 |
| Restricted cash | 3,165,394 | 3,739,189 |
| Accounts receivable | 299,098 | 294,399 |
| Inventory | 55,750 | 75,421 |
| Prepays and other current assets | 186,046 | 195,402 |
| | ----- | ----- |
| Total Current Assets | 3,707,988 | 4,306,111 |
| | ----- | ----- |
| Land | 1,847,000 | 1,847,000 |
| Property and equipment, net | 13,630,359 | 13,370,384 |
| Intangible assets, net | 149,595 | 97,544 |
| Deferred financing costs | 97,669 | 89,875 |
| Other long term assets | 285,093 | 283,916 |
| | ----- | ----- |
| Total Assets | 19,717,704 | 19,994,830 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Notes payable | 396,000 | 198,000 |
| Accounts payable | 49,423 | 262 |
| Accrued expenses | 306,476 | 246,115 |
| Deferred revenue | 66,708 | 58,358 |
| Customer deposits | 372,014 | 325,305 |
| | ----- | ----- |
| Total Current Liabilities | 1,190,621 | 828,040 |
| | ----- | ----- |
| Notes payable | 11,835,435 | 11,835,435 |
| Other liabilities | 655,428 | 671,033 |
| | ----- | ----- |
| Total Liabilities | 13,681,484 | 13,334,508 |
| | ----- | ----- |
| Equity: | | |
| Paid in capital | 10,276,223 | 10,276,223 |
| Retained earnings | (5,134,067) | (4,240,002) |
| Current year profit/loss | 894,064 | 624,101 |
| | ----- | ----- |
| Total Equity | 6,036,220 | 6,660,322 |
| | ----- | ----- |
| Total Liabilities and Equity | 19,717,704 | 19,994,830 |
| | ===== | ===== |

American Yacht Harbor (AYH)
Cash Flow Statement
For the Six Months Ending June 30, 2017
UNAUDITED

| | 1Q17 Total | April Actual | May Actual | June Actual | 2Q17 Total | 2017 YTD Actual |
|-----------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Beginning Cash Balance | \$3,167,093 | \$3,399,754 | \$3,559,540 | \$3,819,327 | \$3,399,754 | \$3,167,093 |
| Net Income From Operations | \$275,194 | \$136,225 | \$88,013 | \$124,669 | \$348,907 | \$624,101 |
| Add Back Non-Cash Expenses: | | | | | | |
| Depreciation and Amortization | 267,758 | 89,485 | 89,128 | 89,128 | 267,741 | 535,499 |
| Provision for doubtful accounts | (22,064) | 11,560 | (21,245) | (3,852) | (13,537) | (35,601) |
| Cash from Operations | \$520,888 | \$237,270 | \$155,896 | \$209,945 | \$603,111 | \$1,123,999 |
| Sources (Uses) of Cash: | | | | | | |
| Accounts Receivable | 44,801 | (74,888) | 173,344 | (102,957) | (4,501) | 40,300 |
| Inventory | (7,258) | 1,111 | 13,705 | (27,229) | (12,413) | (19,671) |
| Prepaid Expenses | (100,203) | 30,392 | 36,844 | 24,788 | 92,024 | (8,179) |
| Accounts Payable | 52,111 | (69,898) | 59,291 | (90,666) | (101,273) | (49,162) |
| Deferred revenue | (23,052) | 24,596 | 3,930 | (13,824) | 14,702 | (8,350) |
| Accrued Expenses and Other Liabilities | (118,603) | 46,082 | (65,877) | 31,331 | 11,536 | (107,067) |
| Total Sources (Uses) of Cash | (\$152,204) | (\$42,605) | \$221,237 | (\$178,557) | \$75 | (\$152,129) |
| NET CASH FLOW FROM OPERATING ACTIVITIES: | \$368,684 | \$194,665 | \$377,133 | \$31,388 | \$603,186 | \$971,870 |
| CASH FLOW FROM INVESTING ACTIVITIES: | | | | | | |
| Additions to Fixed Assets | (37,023) | (1,879) | (84,346) | (76,826) | (163,051) | (200,074) |
| | (\$37,023) | (\$1,879) | (\$84,346) | (\$76,826) | (\$163,051) | (\$200,074) |
| CASH FLOW FROM FINANCING ACTIVITIES: | | | | | | |
| Payments on Long Term Debt | (99,000) | (33,000) | (33,000) | (33,000) | (99,000) | (198,000) |
| | (\$99,000) | (\$33,000) | (\$33,000) | (\$33,000) | (\$99,000) | (\$198,000) |
| NET CASH FLOW | \$232,661 | \$159,786 | \$259,787 | (\$78,438) | \$341,135 | \$573,796 |
| Ending Cash Balance | \$3,399,754 | \$3,559,540 | \$3,819,327 | \$3,740,889 | \$3,740,889 | \$3,740,889 |