

**American Yacht Harbor**  
Income Statement - Actual Comparison  
For the Three Months Ending March 31, 2016  
UNAUDITED

	March 2016				Quarter and Year to Date			
	Actual	Budget	Var \$	Var %	Actual	Budget	Var \$	Var %
<b>Revenues</b>								
Marina Slip Revenue	158,287	160,623	(2,336)	(1.5%)	447,336	452,390	(5,054)	(1.1%)
Marina Slip Discounts	(1,515)	(803)	(712)	(88.7%)	(5,315)	(1,955)	(3,360)	(171.9%)
Upland Revenue	118,801	112,425	6,376	5.7%	352,473	342,268	10,205	3.0%
Marina Concierge Services	9,075	5,973	3,102	51.9%	22,874	19,447	3,427	17.6%
Utility Revenue	75,027	90,642	(15,615)	(17.2%)	243,871	261,560	(17,689)	(6.8%)
Fuel	169,721	230,116	(60,395)	(26.2%)	486,142	544,203	(58,061)	(10.7%)
Merchandise	7,637	8,970	(1,333)	(14.9%)	19,789	23,082	(3,293)	(14.3%)
Pass Through Expenses	41,238	41,238			125,551	123,714	1,837	1.5%
Other	5,953	4,541	1,412	31.1%	15,613	13,119	2,494	19.0%
<b>Total Revenues</b>	<b>584,224</b>	<b>653,725</b>	<b>(69,501)</b>	<b>(10.6%)</b>	<b>1,708,334</b>	<b>1,777,828</b>	<b>(69,494)</b>	<b>(3.9%)</b>
<b>Direct Costs</b>								
Marina Concierge Services		351	351	100.0%	1,365	1,143	(222)	(19.4%)
Utilities	40,437	49,412	8,975	18.2%	120,184	146,365	26,181	17.9%
Utilities cost %	53.90	54.51	0.62	0.01	49.28	55.96	6.68	0.12
Fuel	82,423	144,334	61,911	42.9%	237,536	342,495	104,959	30.6%
Fuel cost %	48.56	62.72	14.16	0.23	48.86	62.94	14.07	0.22
Merchandise	4,268	6,926	2,658	38.4%	9,017	17,823	8,806	49.4%
<b>Total Direct Costs</b>	<b>127,128</b>	<b>201,023</b>	<b>73,895</b>	<b>36.8%</b>	<b>368,102</b>	<b>507,826</b>	<b>139,724</b>	<b>27.5%</b>
<b>Gross Profit</b>	<b>457,096</b>	<b>452,702</b>	<b>4,394</b>	<b>1.0%</b>	<b>1,340,232</b>	<b>1,270,002</b>	<b>70,230</b>	<b>5.5%</b>
<b>Gross Profit %</b>	<b>78.24</b>	<b>69.25</b>	<b>(8.99)</b>	<b>(0.13)</b>	<b>78.45</b>	<b>71.44</b>	<b>(7.02)</b>	<b>(0.10)</b>
<b>Payroll &amp; Employee Benefits</b>								
Total Payroll	65,829	68,029	2,200	3.2%	209,089	204,087	(5,002)	(2.5%)
Total Employee Benefits	20,241	24,090	3,849	16.0%	72,651	75,611	2,960	3.9%
<b>Total Payroll &amp; Employee Benefits</b>	<b>86,070</b>	<b>92,119</b>	<b>6,049</b>	<b>6.6%</b>	<b>281,740</b>	<b>279,698</b>	<b>(2,042)</b>	<b>(0.7%)</b>
<b>Other Operating Expenses</b>								
Rent	13,333	13,333			40,000	39,999	(1)	(0.0%)
Utilities Unallocated	6,592	15,330	8,738	57.0%	25,765	34,385	8,620	25.1%
Utilities	5,638	6,669	1,031	15.5%	15,571	18,875	3,304	17.5%
Insurance	24,677	24,504	(173)	(0.7%)	74,028	73,512	(516)	(0.7%)
Management Fees	29,211	32,686	3,475	10.6%	85,417	88,891	3,474	3.9%
Taxes	11,308	14,434	3,126	21.7%	32,527	35,636	3,109	8.7%
Repairs & Maintenance	5,773	12,763	6,990	54.8%	20,681	57,806	37,125	64.2%
Supplies	1,972	4,155	2,183	52.5%	9,071	10,873	1,802	16.6%
Marketing	2,558	7,100	4,542	64.0%	17,197	23,300	6,103	26.2%
Security		455	455	100.0%	237	1,681	1,444	85.9%
Professional Fees	4,267	23,835	19,568	82.1%	32,655	40,682	8,027	19.7%
Travel Expenses					326	2,386	2,060	86.3%
Provision for Doubtful Accounts	7,280		(7,280)		(12,613)		12,613	
Telephone	1,203	1,425	222	15.6%	3,409	4,972	1,563	31.4%
Credit Card Commission	13,683	10,128	(3,555)	(35.1%)	32,780	29,741	(3,039)	(10.2%)
Donations	3,544	3,413	(131)	(3.8%)	11,132	10,239	(893)	(8.7%)
Information Technology	1,462	1,655	193	11.7%	4,674	5,554	880	15.8%
Other Operating Expenses	120	99	(21)	(21.2%)	377	401	24	6.0%
<b>Total Other Operating Expense</b>	<b>132,621</b>	<b>171,984</b>	<b>39,363</b>	<b>22.9%</b>	<b>393,234</b>	<b>478,933</b>	<b>85,699</b>	<b>17.9%</b>
<b>Total Operating Expenses</b>	<b>218,691</b>	<b>264,103</b>	<b>45,412</b>	<b>17.2%</b>	<b>674,974</b>	<b>758,631</b>	<b>83,657</b>	<b>11.0%</b>
<b>Operating Expense %</b>	<b>37.43</b>	<b>40.40</b>	<b>2.97</b>	<b>0.07</b>	<b>39.51</b>	<b>42.67</b>	<b>3.16</b>	<b>0.07</b>
<b>Net Operating Income</b>	<b>238,405</b>	<b>188,599</b>	<b>49,806</b>	<b>26.4%</b>	<b>665,258</b>	<b>511,371</b>	<b>153,887</b>	<b>30.1%</b>
<b>NOI %</b>	<b>40.81</b>	<b>28.85</b>	<b>(11.96)</b>	<b>(0.41)</b>	<b>38.94</b>	<b>28.76</b>	<b>(10.18)</b>	<b>(0.35)</b>
<b>Fixed Costs</b>								
3rd Party Cash Interest Expense	26,872	54,751	27,879	50.9%	78,935	161,133	82,198	51.0%
3rd Party Interest Income	(1,422)		1,422		(2,910)		2,910	
Depreciation	74,451	94,733	20,282	21.4%	221,682	282,562	60,880	21.5%
Amortization	11,337		(11,337)		34,011		(34,011)	
Accretion	2,601		(2,601)		7,803		(7,803)	
<b>Income(Loss) Before Other Costs</b>	<b>124,566</b>	<b>39,115</b>	<b>85,451</b>	<b>218.5%</b>	<b>325,737</b>	<b>67,676</b>	<b>258,061</b>	<b>381.3%</b>
<b>Net Income</b>	<b>124,566</b>	<b>39,115</b>	<b>85,451</b>	<b>218.5%</b>	<b>325,737</b>	<b>67,676</b>	<b>258,061</b>	<b>381.3%</b>

**American Yacht Harbor**  
Balance Sheet  
March 31, 2016  
UNAUDITED

	December 2015	March 2016
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$1,150	\$1,700
Restricted cash	2,663,555	2,973,743
Accounts receivable	157,652	182,447
Inventory	47,162	56,375
Prepays and other current assets	193,081	130,529
	3,062,600	3,344,794
Land	1,847,000	1,847,000
Property and equipment, net	14,307,838	14,183,306
Intangible assets, net	253,699	227,673
Deferred financing costs	53,209	45,223
Other long term assets	304,816	296,996
	19,829,162	19,944,992
	19,829,162	19,944,992
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Notes payable	405,000	306,000
Accounts payable	41,655	85,712
Accrued expenses	292,818	229,261
Deferred revenue	14,577	13,393
Customer deposits	300,536	302,513
	1,054,586	936,879
Notes payable	12,508,200	12,508,200
Other liabilities	624,217	632,020
	14,187,003	14,077,099
Equity:		
Paid in capital	10,276,223	10,276,223
Retained earnings	(5,043,927)	(4,734,067)
Current year profit/loss	409,863	325,737
	5,642,159	5,867,893
	19,829,162	19,944,992
	19,829,162	19,944,992

**American Yacht Harbor**  
**Cash Flow Statement**  
**For the Three Months Ending March 31, 2016**  
**UNAUDITED**

	<u>January</u> <u>Actual</u>	<u>February</u> <u>Actual</u>	<u>March</u> <u>Actual</u>	<u>1Q16</u> <u>Total</u>
<b>Beginning Cash Balance</b>	\$2,664,705	\$2,717,234	\$2,826,632	\$2,664,705
<b>Net Income From Operations</b>	\$124,394	\$76,777	\$124,566	\$325,737
Add Back Non-Cash Expenses:				
Depreciation and Amortization	87,788	87,318	88,389	263,495
Provision for doubtful accounts	(19,893)	0	7,280	(12,613)
<b>Cash from Operations</b>	<b>\$192,289</b>	<b>\$164,095</b>	<b>\$220,235</b>	<b>\$576,619</b>
<b>Sources (Uses) of Cash:</b>				
Accounts Receivable	(40,710)	(12,945)	41,473	(12,182)
Inventory	(857)	(379)	(7,977)	(9,213)
Prepaid Expenses	(20,190)	39,236	51,326	70,372
Accounts Payable	(24,546)	23,346	45,256	44,056
Deferred revenue	5,826	(6,613)	(397)	(1,184)
Accrued Expenses and Other Liabilities	31,203	(41,867)	(50,917)	(61,581)
<b>Total Sources (Uses) of Cash</b>	<b>(\$49,274)</b>	<b>\$778</b>	<b>\$78,764</b>	<b>\$30,268</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES:</b>	<b>\$143,015</b>	<b>\$164,873</b>	<b>\$298,999</b>	<b>\$606,887</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Additions to Fixed Assets	(57,486)	(22,475)	(17,188)	(97,149)
	<b>(\$57,486)</b>	<b>(\$22,475)</b>	<b>(\$17,188)</b>	<b>(\$97,149)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Payments on Long Term Debt	(33,000)	(33,000)	(33,000)	(99,000)
Excess Cash Distribution			(100,000)	(100,000)
	<b>(\$33,000)</b>	<b>(\$33,000)</b>	<b>(\$133,000)</b>	<b>(\$199,000)</b>
<b>NET CASH FLOW</b>	<b>\$52,529</b>	<b>\$109,398</b>	<b>\$148,811</b>	<b>\$310,738</b>
<b>Ending Cash Balance</b>	<b>\$2,717,234</b>	<b>\$2,826,632</b>	<b>\$2,975,443</b>	<b>\$2,975,443</b>