



**Income Statement
SUMMARY
For The 12 Periods Ending December 31, 2009**

Unaudited

	Actual	Budget	Variance	% over/under Budget
Revenue:				
Hat Express	99,713	99,500	213	0.2%
Elsie M II	113,778	116,500	(2,722)	-2.3%
Water	104,438	100,150	4,288	4.3%
Maintenance & Equipment	38,600	49,000	(10,400)	-21.2%
Golf	45,507	50,000	(4,493)	-9.0%
Marina	79,829	75,900	3,929	5.2%
Roads	50	0	50	#DIV/0!
Operations	74,719	27,470	47,249	172.0%
Revenue	556,634	518,520	38,114	7.4%
Expenses:				
Ferry	177,288	169,012	8,276	4.9%
Elsie M II	92,785	61,385	31,400	51.2%
Water	92,918	75,467	17,451	23.1%
Maintenance & Equipment	76,485	118,513	(42,028)	-35.5%
Golf	69,871	77,534	(7,663)	-9.9%
Marina	39,739	46,506	(6,767)	-14.6%
Roads	15,899	4,911	10,988	223.7%
Operations	265,512	235,724	29,788	12.6%
Expenses	830,497	789,052	41,445	5.3%
Department Summary:				
Hat Express Net	(77,576)	(69,512)	(8,064)	11.6%
Elsie M II Net	20,993	55,115	(34,122)	-61.9%
Water Net	11,520	24,683	(13,163)	-53.3%
Maintenance & Roads Net	(53,734)	(74,424)	20,690	-27.8%
Golf Net	(24,365)	(27,534)	3,169	-11.5%
Marina Net	40,090	29,394	10,696	36.4%
Operations Net	(190,793)	(208,254)	(10,938)	-8.4%
Operating Income before Annual Assessments	(273,864)	(270,532)	(3,332)	-1.2%
Annual Yearly Assessments	304,689	306,637	(1,948)	-0.6%
Net Operating Income before Depreciation	30,825	36,105	(5,280)	-14.6%
Depreciation:				
Hat Express Depreciation	53,355	55,312	(1,956)	-3.5%
Elsie M Depreciation	60,769	40,717	20,052	49.2%
Water Depreciation	27,043	22,416	4,626	20.6%
Equipment Depreciation	3,090	617	2,472	400.4%
Golf Depreciation	9,618	6,735	2,883	42.8%
Marina Depreciation	176,088	139,773	36,315	26.0%
Roads/Bulkhead Depreciation	27,183	27,183	0	0.0%
Operations Depreciation	535	535	(0)	0.0%
Total Depreciation	357,681	293,288	64,393	22.0%
Earnings before Special Assessments	(326,855)	(257,183)	(69,672)	-27.1%



**Income Statement
SUMMARY
For The 12 Periods Ending December 31, 2009**

Unaudited

	Actual	Budget	Variance	% over/under Budget
Special Assessments & Reserves from Annual Assessment:				
Annual Assessments set aside for Reserves	53,944	54,113	(169)	
R.O. System Sp Assess Income	28,931	46,292	(17,361)	
RO Loan Interest	1,691	2,316	(625)	
R.O. System Sp Assess Expense	11,901	0	11,901	
Marina Improvement Assess Income	73,334	0	73,334	
Marina Expansion Assess Income	0	0	0	
Marina Loan Interest	80,511	79,275	1,236	
Marina Imp & Expansion Expenses	3,184	0	3,184	
Special Assessments & Reserves	223,325	181,996	41,329	
Total Earnings	1,099,733	1,007,153	92,580	9.2%
Total Expenses	1,203,263	1,082,340	120,923	11.2%
Gain or Loss on Sale of Assets	(33,839)	0	(33,839)	0.0%
Earnings (loss)	(137,369)	(75,187)	(62,182)	n/a

Note 1 Marina Expansion & Improvement income now remains deferred until expenses are incurred. This method of reporting income is based on generally accepted accounting principles (GAAP). Prior to this, we have reported income for the marina based on reporting 10% of the income for 10 years, as the IRS would wish us too. In any case, this income is not considered taxable by the IRS.

ASC 972-430-25-1

“Deferred revenue may include items such as special assessments designated for specific costs that have not yet been incurred. Such amounts shall be reported as revenues when the corresponding liabilities and expenses are reported.”