

INCOME STATEMENT (TAX BASIS)

| Sunriver Water, LLC | | | | | | | | | | | | | |
|--|-----------------|-----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|--------|--------|--------|------------------|
| | JAN-16 | FEB-16 | MAR-16 | APR-16 | MAY-16 | JUN-16 | JUL-16 | AUG-16 | SEP-16 | OCT-16 | NOV-16 | DEC-16 | Total |
| Revenues | | | | | | | | | | | | | |
| Other Income | 7,944 | 1,840 | 1,330 | 2,256 | 6,042 | 5,666 | 4,573 | 4,876 | 7,720 | - | - | - | 42,248 |
| Sale of Assets | 3,700 | - | - | - | - | - | - | - | - | - | - | - | 3,700 |
| Services | 300 | 70 | - | 250 | 650 | (300) | 300 | - | 400 | - | - | - | 1,670 |
| Use Fees | 94,359 | 92,073 | 125,619 | 103,780 | 128,278 | 163,620 | 193,551 | 207,101 | 211,188 | - | - | - | 1,319,570 |
| Gross Revenue | 106,303 | 93,984 | 126,949 | 106,287 | 134,970 | 168,986 | 198,424 | 211,978 | 219,308 | - | - | - | 1,367,188 |
| Payroll and Related | | | | | | | | | | | | | |
| Administrative | 6,700 | 6,715 | 7,036 | 6,402 | 6,393 | 6,743 | 6,575 | 6,739 | 6,381 | - | - | - | 59,683 |
| Maintenance | 14,351 | 15,386 | 17,827 | 21,696 | 19,259 | 24,441 | 22,851 | 16,736 | 20,603 | - | - | - | 173,151 |
| Management | 8,280 | 7,795 | 8,865 | 8,347 | 8,558 | 8,539 | 8,059 | 9,263 | 8,233 | - | - | - | 75,939 |
| Vacation-PTO | 5,794 | 4,571 | 6,551 | 4,769 | 5,495 | 5,079 | 9,151 | 5,400 | 5,062 | - | - | - | 51,873 |
| Holiday | (390) | - | - | - | - | - | - | - | - | - | - | - | (390) |
| Sick Pay | - | - | - | - | - | - | - | 391 | - | - | - | - | 391 |
| Bonus/Commission/Incentives | 1,123 | 853 | 686 | 229 | 509 | 620 | 859 | 247 | 1,075 | - | - | - | 6,201 |
| Health Insurance | 11,574 | 12,187 | 13,436 | 12,866 | 14,995 | 12,818 | 12,804 | 11,123 | 11,720 | - | - | - | 113,525 |
| 401k | 1,908 | 1,273 | 2,768 | 1,296 | 1,098 | 1,895 | 2,237 | 1,117 | 1,181 | - | - | - | 14,772 |
| Payroll Taxes | 4,627 | 3,581 | 3,719 | 3,679 | 3,633 | 4,610 | 5,652 | 3,515 | 3,678 | - | - | - | 36,693 |
| Workers Comp | 1,537 | 1,717 | 1,418 | 1,730 | 2,581 | 2,209 | 2,414 | 2,496 | 1,432 | - | - | - | 17,535 |
| Total Payroll and Related | 55,506 | 54,080 | 62,308 | 61,013 | 62,520 | 66,955 | 70,601 | 57,025 | 59,365 | - | - | - | 549,373 |
| Operating Expenses | | | | | | | | | | | | | |
| Building | 3,830 | 7,660 | - | 3,830 | 3,830 | - | 7,660 | 3,830 | 3,830 | - | - | - | 34,470 |
| Contract Services | 2,353 | 6,008 | 429 | 1,788 | 664 | 1,121 | 782 | 357 | 2,392 | - | - | - | 15,893 |
| Credit Card Commissions | 650 | 708 | 523 | 616 | 808 | 781 | 733 | 1,008 | 943 | - | - | - | 6,770 |
| Dues and Subscriptions | - | - | - | 940 | - | 113 | - | - | - | - | - | - | 1,053 |
| Electrical and Mechanical | - | - | 686 | - | - | - | - | - | - | - | - | - | 686 |
| Electricity | 7,000 | 1,519 | 3,406 | 3,825 | 5,265 | 7,024 | 8,717 | 9,721 | 9,647 | - | - | - | 56,124 |
| Equipment Repair and Maintenance | 513 | 272 | 42 | 993 | 741 | 637 | 3,485 | - | 855 | - | - | - | 7,539 |
| Equipment-Purchase | - | 288 | 130 | 90 | 18 | - | - | - | - | - | - | - | 526 |
| Gas | 14 | 6 | 6 | 23 | 7 | 6 | 12 | 6 | 6 | - | - | - | 86 |
| Information Technology | 429 | 10,510 | 188 | 267 | 1,484 | 915 | 263 | 158 | 429 | - | - | - | 14,644 |
| Legal Fees | 90 | 160 | 416 | - | 508 | - | 640 | 384 | 64 | - | - | - | 2,262 |
| Licenses and Permits | 103 | 220 | 5,062 | 30 | 446 | - | - | - | - | - | - | - | 5,861 |
| Locks and Keys | 3 | - | - | - | - | - | - | - | - | - | - | - | 3 |
| Management Fee | 14,568 | 14,568 | 14,568 | 14,568 | 14,568 | 14,568 | 14,568 | 14,568 | 14,568 | - | - | - | 131,114 |
| Personnel-Development | 610 | 986 | - | - | 106 | 133 | - | - | 154 | - | - | - | 1,989 |
| Personnel-Motivation | - | - | 62 | - | - | - | - | 145 | - | - | - | - | 206 |
| Postage and Overnight Mail | 2,328 | 1,788 | 1,803 | 2,862 | 1,813 | 1,775 | 1,783 | 1,755 | 1,826 | - | - | - | 17,734 |
| Supplies-Cleaning | - | - | - | 51 | 8 | - | 21 | - | - | - | - | - | 79 |
| Supplies-Office | 66 | 30 | 68 | 50 | 58 | 15 | 27 | 100 | 35 | - | - | - | 450 |
| Supplies-Operating | 810 | 1,049 | 2,972 | 324 | 2,187 | 1,395 | 436 | 340 | 870 | - | - | - | 10,382 |
| Supplies-Printing and Stationery | - | 42 | - | 0 | - | - | - | - | 11 | - | - | - | 53 |
| Telecommunications | 202 | 449 | 650 | 613 | 923 | 548 | 233 | 778 | 231 | - | - | - | 4,625 |
| Uniforms | 48 | 151 | 523 | 223 | 318 | 151 | 128 | 295 | 245 | - | - | - | 2,083 |
| Vehicle | 3,817 | 1,362 | 2,769 | 4,552 | 1,913 | 1,860 | 2,876 | 2,160 | 1,667 | - | - | - | 22,976 |
| Total Operating Expenses | 37,431 | 47,775 | 34,304 | 35,647 | 35,666 | 31,040 | 42,364 | 35,605 | 37,774 | - | - | - | 337,606 |
| Gross Operating Income | 13,366 | (7,871) | 30,337 | 9,626 | 36,784 | 70,991 | 85,459 | 119,347 | 122,170 | - | - | - | 480,209 |
| Fixed Charges | | | | | | | | | | | | | |
| Assessments | - | - | - | - | - | 693 | - | - | - | - | - | - | 693 |
| Insurance | 1,783 | 2,013 | 2,013 | 2,276 | 2,276 | 2,276 | 2,276 | 2,276 | 2,276 | - | - | - | 19,466 |
| Property Taxes | 4,909 | 4,909 | 4,909 | 4,909 | 4,909 | 4,909 | 4,909 | 4,909 | 4,909 | - | - | - | 44,181 |
| Total Fixed Charges | 6,692 | 6,922 | 6,922 | 7,185 | 7,185 | 7,878 | 7,185 | 7,185 | 7,185 | - | - | - | 64,340 |
| Net Operating Income Before Reserve | 6,675 | (14,793) | 23,415 | 2,441 | 29,599 | 63,113 | 78,274 | 112,162 | 114,984 | - | - | - | 415,869 |
| Replacement Reserves | 4,252 | 3,759 | 5,078 | 4,251 | 5,399 | 6,759 | 7,937 | 8,479 | 8,772 | - | - | - | 54,688 |
| Net Operating Income after Reserve | 2,422 | (18,553) | 18,337 | (1,810) | 24,200 | 56,353 | 70,337 | 103,682 | 106,212 | - | - | - | 361,181 |
| Add Back Replacement Reserves | 4,252 | 3,759 | 5,078 | 4,251 | 5,399 | 6,759 | 7,937 | 8,479 | 8,772 | - | - | - | 54,688 |
| Net Operating Income | 6,675 | (14,793) | 23,415 | 2,441 | 29,599 | 63,113 | 78,274 | 112,162 | 114,984 | - | - | - | 415,869 |
| Depreciation | 22,966 | 22,966 | 22,966 | 22,966 | 22,966 | 22,966 | 22,966 | 22,966 | 22,966 | - | - | - | 206,694 |
| Net Income | (16,291) | (37,759) | 449 | (20,525) | 6,633 | 40,147 | 55,308 | 89,196 | 92,018 | - | - | - | 209,175 |

Consolidated Balance Sheet

Sunriver Water, LLC

| | JAN-16 | FEB-16 | MAR-16 | APR-16 | MAY-16 | JUN-16 | JUL-16 | AUG-16 | SEP-16 | OCT-16 | NOV-16 | DEC-16 | Change | DEC-15 |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|
| Cash | (2,163) | (21,923) | (19,155) | (22,357) | (11,924) | (6,360) | (4,152) | (14,943) | (394) | (394) | (394) | (394) | 22,168 | (22,562) |
| Working Capital | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 0 | 84,351 |
| Accounts Receivable | 20 | 20 | 20 | (80) | (80) | (80) | (80) | (80) | (80) | (80) | (80) | (80) | (100) | 20 |
| Inventories | 32,341 | 35,755 | 63,332 | 74,483 | 73,127 | 70,224 | 57,603 | 53,507 | 64,269 | 64,269 | 64,269 | 64,269 | 29,706 | 34,563 |
| Prepaid Expenses | 43,413 | 41,400 | 39,388 | 56,991 | 54,715 | 52,439 | 50,163 | 47,886 | 45,610 | 45,610 | 45,610 | 45,610 | 414 | 45,196 |
| Total Current Assets | 157,962 | 139,603 | 167,935 | 193,389 | 200,188 | 200,574 | 187,884 | 170,721 | 193,756 | 193,756 | 193,756 | 193,756 | 52,189 | 141,567 |
| Land | 247,915 | 247,915 | 247,915 | 247,915 | 247,915 | 247,915 | 247,915 | 247,915 | 247,915 | 247,915 | 247,915 | 247,915 | 0 | 247,915 |
| Building | 228,340 | 228,340 | 228,340 | 228,340 | 228,340 | 228,340 | 228,340 | 228,340 | 228,340 | 228,340 | 228,340 | 228,340 | 0 | 228,340 |
| Furniture, Fixtures, & Equip | 2,027,011 | 2,027,011 | 2,027,011 | 2,027,011 | 2,027,011 | 2,027,011 | 2,027,011 | 2,027,011 | 2,027,011 | 2,027,011 | 2,027,011 | 2,027,011 | 0 | 2,027,011 |
| Leasehold Improvements | 6,299,440 | 6,299,686 | 6,300,407 | 6,300,406 | 6,300,951 | 6,301,169 | 6,303,348 | 6,304,789 | 6,305,806 | 6,305,806 | 6,305,806 | 6,305,806 | 6,366 | 6,299,440 |
| Construction in Progress | (330) | 24,543 | 36,767 | 43,160 | 55,297 | 63,666 | 80,219 | 113,911 | 120,417 | 120,417 | 120,417 | 120,417 | 120,417 | 0 |
| Accumulated Depreciation | (5,529,353) | (5,552,319) | (5,575,285) | (5,598,251) | (5,621,217) | (5,644,183) | (5,667,149) | (5,690,115) | (5,713,081) | (5,713,081) | (5,713,081) | (5,713,081) | (206,694) | (5,506,387) |
| Total Other Assets | 3,273,022 | 3,275,176 | 3,265,155 | 3,248,581 | 3,238,297 | 3,223,918 | 3,219,684 | 3,231,851 | 3,216,408 | 3,216,408 | 3,216,408 | 3,216,408 | (79,911) | 3,296,319 |
| Total Assets | 3,430,984 | 3,414,779 | 3,433,091 | 3,441,970 | 3,438,486 | 3,424,493 | 3,407,569 | 3,402,572 | 3,410,164 | 3,410,164 | 3,410,164 | 3,410,164 | (27,722) | 3,437,886 |
| Liabilities | | | | | | | | | | | | | | |
| Accounts Payable | 5,010 | 9,952 | 21,277 | 5,466 | 6,783 | 1,980 | 13,257 | 14,725 | 794 | 794 | 794 | 794 | (9,106) | 9,900 |
| Accrued Expenses | 31,843 | 31,843 | 31,843 | 31,843 | 31,843 | 31,843 | 31,843 | 31,843 | 31,843 | 31,843 | 31,843 | 31,843 | 0 | 31,843 |
| Property Taxes Accrued | 4,909 | 9,818 | 14,727 | 19,636 | 24,545 | 29,454 | 34,363 | 39,272 | 44,181 | 44,181 | 44,181 | 44,181 | 44,181 | 0 |
| Total Liabilities | 41,762 | 51,613 | 67,847 | 56,945 | 63,171 | 63,277 | 79,463 | 85,840 | 76,818 | 76,818 | 76,818 | 76,818 | 35,075 | 41,743 |
| Equity | | | | | | | | | | | | | | |
| Original Equity Contribution | 3,320,708 | 3,320,708 | 3,320,708 | 3,320,708 | 3,320,708 | 3,320,708 | 3,320,708 | 3,320,708 | 3,320,708 | 3,320,708 | 3,320,708 | 3,320,708 | 0 | 3,320,708 |
| Owners (Distributions)/Contributions | 202,540 | 214,244 | 215,872 | 256,178 | 239,835 | 185,590 | 97,172 | (3,397) | (78,802) | (78,802) | (78,802) | (78,802) | (271,972) | 193,170 |
| Working Capital | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 84,351 | 0 | 84,351 |
| Retained Earnings | (202,086) | (202,086) | (202,086) | (202,086) | (202,086) | (202,086) | (202,086) | (202,086) | (202,086) | (202,086) | (202,086) | (202,086) | (960,531) | 758,445 |
| Current Year Income/(Loss) | (16,291) | (54,051) | (53,602) | (74,127) | (67,494) | (27,347) | 27,961 | 117,156 | 209,175 | 209,175 | 209,175 | 209,175 | 1,169,706 | (960,531) |
| Total Equity | 3,389,222 | 3,363,166 | 3,365,244 | 3,385,025 | 3,375,314 | 3,361,216 | 3,328,106 | 3,316,732 | 3,333,346 | 3,333,346 | 3,333,346 | 3,333,346 | (62,797) | 3,396,143 |
| Total Liabilities & Equity | 3,430,984 | 3,414,779 | 3,433,091 | 3,441,970 | 3,438,486 | 3,424,493 | 3,407,569 | 3,402,572 | 3,410,164 | 3,410,164 | 3,410,164 | 3,410,164 | (27,722) | 3,437,886 |

Statement of Cash Flow

| Sunriver Water LLC | | | | | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|--------------|--------------|--------------|------------------|
| | JAN-16 | FEB-16 | MAR-16 | APR-16 | MAY-16 | JUN-16 | JUL-16 | AUG-16 | SEP-16 | OCT-16 | NOV-16 | DEC-16 | Total |
| Cash Flows From Operating Activities | | | | | | | | | | | | | |
| Net Income | (16,291) | (37,759) | 449 | (20,525) | 6,633 | 40,147 | 55,308 | 89,196 | 92,018 | - | - | - | 209,175 |
| Adjustments: | | | | | | | | | | | | | |
| Depreciation/Amortization Expense | 22,966 | 22,966 | 22,966 | 22,966 | 22,966 | 22,966 | 22,966 | 22,966 | 22,966 | - | - | - | 206,694 |
| A/R (Incr) / Decr | 0 | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100 |
| A/P Incr / (Decr) | (4,890) | 4,942 | 11,325 | (15,811) | 1,317 | (4,803) | 11,277 | 1,468 | (13,930) | 0 | 0 | 0 | (9,106) |
| Inventories (Incr) / Decr | 2,222 | (3,414) | (27,577) | (11,152) | 1,357 | 2,902 | 12,622 | 4,095 | (10,762) | 0 | 0 | 0 | (29,706) |
| Prepays (Incr) / Decr | 1,783 | 2,013 | 2,013 | (17,604) | 2,276 | 2,276 | 2,276 | 2,276 | 2,276 | 0 | 0 | 0 | (414) |
| Accrued Expense Incr / (Decr) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Property Taxes Incr / (Decr) | 4,909 | 4,909 | 4,909 | 4,909 | 4,909 | 4,909 | 4,909 | 4,909 | 4,909 | 0 | 0 | 0 | 44,181 |
| Net Cash Provided by Operating Activities | 10,698 | (6,343) | 14,085 | (37,116) | 39,458 | 68,397 | 109,358 | 124,910 | 97,478 | 0 | 0 | 0 | 420,923 |
| Cash Flows from Investing Activities | | | | | | | | | | | | | |
| Fixed Asset Purchases | 330 | (25,119) | (12,945) | (6,392) | (12,682) | (8,587) | (18,732) | (35,132) | (7,523) | 0 | 0 | 0 | (126,783) |
| Net Cash Used in Investing Activities | 330 | (25,119) | (12,945) | (6,392) | (12,682) | (8,587) | (18,732) | (35,132) | (7,523) | 0 | 0 | 0 | (126,783) |
| Cash Flows from Financing Activities | | | | | | | | | | | | | |
| Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Owner (Distributions)/Contributions | 9,371 | 11,703 | 1,629 | 40,306 | (16,343) | (54,245) | (88,418) | (100,569) | (75,405) | 0 | 0 | 0 | (271,972) |
| Net Cash Used in Financing Activities | 9,371 | 11,703 | 1,629 | 40,306 | (16,343) | (54,245) | (88,418) | (100,569) | (75,405) | 0 | 0 | 0 | (271,972) |
| Net Increase/Decrease in Cash and Cash Equivalents | 20,399 | (19,759) | 2,768 | (3,202) | 10,432 | 5,565 | 2,208 | (10,791) | 14,549 | - | - | - | 22,168 |
| Opening Cash Balance | (22,562) | (2,163) | (21,923) | (19,155) | (22,357) | (11,924) | (6,360) | (4,152) | (14,943) | (394) | (394) | (394) | (22,562) |
| Ending Cash Balance | (2,163) | (21,923) | (19,155) | (22,357) | (11,924) | (6,360) | (4,152) | (14,943) | (394) | (394) | (394) | (394) | (394) |
| Cash Balance Per Balance Sheet | (2,163) | (21,923) | (19,155) | (22,357) | (11,924) | (6,360) | (4,152) | (14,943) | (394) | (394) | (394) | (394) | |