

**Watertown Industrial Center LDC****Income Statement for the Two Month Period Ending August 31, 2008**

Prepared by Lyle Eaton, September 17, 2008

|                                    | Current Year<br>Budget | Year-to-Date<br>Total | Current<br>Month     | Previous<br>Month  | Balance<br>Remaining |
|------------------------------------|------------------------|-----------------------|----------------------|--------------------|----------------------|
| <b>Revenues</b>                    |                        |                       |                      |                    |                      |
| Lease Revenue                      | \$ 393,855.00          | 69,129.52             | \$ 35,843.81         | 33,285.71          | 324,725.48           |
| Interest Income                    | 30,000.00              | 3,023.56              | 1,981.03             | 1,042.53           | 26,976.44            |
| LIF Loan Principal                 | 38,433.00              | 6,325.87              | 2,946.56             | 3,379.31           | 32,107.13            |
| Extra-Ordinary Income              | 6,400.00               | 0.00                  | 0.00                 | 0.00               | 6,400.00             |
| Leasehold Interest                 | 3,319.00               | 632.85                | 305.77               | 327.08             | 2,686.15             |
| <b>Total Revenues</b>              | <b>472,007.00</b>      | <b>79,111.80</b>      | <b>41,077.17</b>     | <b>38,034.63</b>   | <b>392,895.20</b>    |
| <b>Expenses</b>                    |                        |                       |                      |                    |                      |
| Marketing                          | 8,000.00               | 991.20                | 329.97               | 661.23             | 7,008.80             |
| Salaries                           | 71,595.00              | 10,839.38             | 5,518.28             | 5,321.10           | 60,755.62            |
| Employee Benefits                  | 35,137.00              | 4,522.71              | 2,301.66             | 2,221.05           | 30,614.29            |
| Depreciation                       | 181,550.00             | 30,501.76             | 15,250.88            | 15,250.88          | 151,048.24           |
| Office Expenses                    | 11,046.00              | 1,756.27              | 696.04               | 1,060.23           | 9,289.73             |
| Dues/Publ/Training/Seminars        | 5,050.00               | 1,222.00              | 226.00               | 996.00             | 3,828.00             |
| Insurance                          | 52,809.00              | 9,325.84              | 4,662.92             | 4,662.92           | 43,483.16            |
| Professional Consultants           | 16,500.00              | 243.00                | 225.00               | 18.00              | 16,257.00            |
| JCJDC Administration Service       | 50,000.00              | 8,333.32              | 4,166.66             | 4,166.66           | 41,666.68            |
| Maintenance Expenses               | 40,300.00              | 13,391.95             | 6,231.27             | 7,160.68           | 26,908.05            |
| Waste Removal                      | 4,380.00               | 1,024.52              | 609.98               | 414.54             | 3,355.48             |
| Rent                               | 10,002.00              | 1,706.00              | 853.00               | 853.00             | 8,296.00             |
| Property Taxes                     | 20,500.00              | 5,725.37              | 0.00                 | 5,725.37           | 14,774.63            |
| Water                              | 7,452.00               | 1,352.95              | 720.13               | 632.82             | 6,099.05             |
| Electric                           | 34,027.00              | 6,222.92              | 3,519.42             | 2,703.50           | 27,804.08            |
| Gas                                | 21,861.00              | 174.97                | 98.67                | 76.30              | 21,686.03            |
| Bad Debt Expense                   | 0.00                   | 0.00                  | 0.00                 | 0.00               | 0.00                 |
| Misc Expenses                      | 5,000.00               | 0.00                  | 0.00                 | 0.00               | 5,000.00             |
| Contingency                        | 0.00                   | 0.00                  | 0.00                 | 0.00               | 0.00                 |
| <b>Total Operations</b>            | <b>575,209.00</b>      | <b>97,334.16</b>      | <b>45,409.88</b>     | <b>51,924.28</b>   | <b>477,874.84</b>    |
| Total Revenue                      | 472,007.00             | 79,111.80             | 41,077.17            | 38,034.63          | 392,895.20           |
| Total Expenses                     | 575,209.00             | 97,334.16             | 45,409.88            | 51,924.28          | 477,874.84           |
| <b>Net Income Over Expenditure</b> | <b>\$ (103,202.00)</b> | <b>(18,222.36)</b>    | <b>\$ (4,332.71)</b> | <b>(13,889.65)</b> | <b>(84,979.64)</b>   |

Watertown Industrial Center LDC  
Balance Sheet  
August 31, 2008

ASSETS

|                                |    |                |
|--------------------------------|----|----------------|
| Current Assets                 |    |                |
| General Checking - Key Bank    | \$ | 68,878.66      |
| Savings Account - Key Bank     |    | 81,017.94      |
| Investment Accounts            |    | 500,000.00     |
| Leasehold Improvement Fund     |    | 80,245.07      |
| Acc. Rec. LHI                  |    | 121,824.60     |
| Accrued Interest Receivable    |    | 2,003.49       |
| Prepaid Insurance              |    | 6,044.42       |
| Rents Receivable               |    | (441.52)       |
|                                |    | 859,572.66     |
| Total Current Assets           |    |                |
|                                |    |                |
| Property and Equipment         |    |                |
| Furniture/Fixtures/Equipment   |    | 51,381.05      |
| Allow. for Deprn. - FF&E       |    | (41,098.34)    |
| Capital Improvements - Cap Imp |    | 1,579,099.25   |
| Heat Separation Project        |    | 330,793.40     |
| Improvement Project - EDA      |    | 678,885.00     |
| Real Estate Contrib.-Buildings |    | 531,300.00     |
| Real Estate Contrib.-Land      |    | 205,000.00     |
| Allow. for Deprn. - Buildings  |    | (1,600,970.12) |
|                                |    | 1,734,390.24   |
| Total Property and Equipment   |    |                |
|                                |    |                |
| Other Assets                   |    |                |
| Loan Receivable - JCIDA        |    | 225,220.21     |
| Work In Process-Variou         |    | 10,999.32      |
|                                |    | 236,219.53     |
| Total Other Assets             |    |                |
|                                |    |                |
| Total Assets                   | \$ | 2,830,182.43   |

LIABILITIES AND CAPITAL

|                                |    |              |
|--------------------------------|----|--------------|
| Current Liabilities            |    |              |
| Accounts Payable               | \$ | 11,415.70    |
| Due HUD - Leasehold Impr. Fund |    | 2,170.94     |
| Due WIC Rent                   |    | 2,998.00     |
| Due WIC LHI                    |    | 1,796.87     |
| Deferred Revenue               |    | 121,824.60   |
|                                |    | 140,206.11   |
| Total Current Liabilities      |    |              |
|                                |    |              |
| Long-Term Liabilities          |    |              |
|                                |    | 0.00         |
| Total Long-Term Liabilities    |    |              |
|                                |    |              |
| Total Liabilities              |    |              |
|                                |    |              |
| Capital                        |    |              |
| Fund Balance                   |    | 678,074.77   |
| Capital Improvement Reserve    |    | 1,832.15     |
| Fund Balance - Leasehold Impr. |    | (7,439.76)   |
| Fund Balance - Capital Reserve |    | 2,035,731.52 |
| Net Income                     |    | (18,222.36)  |
|                                |    | 2,689,976.32 |
| Total Capital                  |    |              |

Unaudited - For Management Purposes Only

Watertown Industrial Center LDC  
Balance Sheet  
August 31, 2008

Total Liabilities & Capital

\$ 2,830,182.43