

STATEMENT OF REVENUES & EXPENSES - PRELIMINARY 2007 OPERATING BUDGET vs. 2006 ESTIMATE

	2005 ACTUAL	2006 BUDGET	2006 ESTIMATE *	2007 BUDGET	2007 vs. 2006 ESTIMATE	
					Inc(Dec)	% Inc(Dec)
OPERATING REVENUES:						
Freight Revenue	16,819,037	17,712,603	18,902,555	21,159,445	2,256,890	11.9%
Automobile Revenue	22,598,952	24,309,514	24,218,979	25,751,548	1,532,569	6.3%
Passenger Revenue	19,815,414	20,874,439	20,746,061	22,206,321	1,460,260	7.0%
Bicycle,Mail,Misc Voyage	1,065,544	1,087,982	1,127,179	1,107,772	(19,407)	-1.7%
Revenue From Terminal Operations	2,866,448	3,014,200	3,018,970	3,125,300	106,330	3.5%
Parking Revenue	4,508,585	4,632,000	4,596,254	4,324,500	(271,754)	-5.9%
Rent Revenue	509,329	470,300	549,695	585,000	35,305	6.4%
TOTAL OPERATING REVENUES	68,183,309	72,101,038	73,159,693	78,259,886	5,100,193	7.0%
OPERATING EXPENSES						
Operation Of Vessels	19,533,169	20,291,913	19,939,180	20,936,946	997,766	5.0%
Operation Of Terminals	8,462,403	9,002,641	8,996,965	9,307,084	310,119	3.4%
Depreciation	5,039,088	5,129,990	5,265,332	7,842,593	2,577,261	48.9%
Maintenance Expense	9,282,976	7,458,928	9,277,579	8,727,530	(550,049)	-5.9%
General Expense	15,566,796	16,769,587	16,125,345	17,214,728	1,089,383	6.8%
Casualties & Insurance	2,636,133	2,980,584	3,040,585	3,405,247	364,662	12.0%
Traffic Expense	2,201,261	2,648,213	2,434,404	2,476,209	41,805	1.7%
Rents	647,278	628,569	622,868	639,851	16,983	2.7%
Payroll Taxes (Social Security)	2,093,168	2,204,588	2,099,874	2,117,560	17,686	0.8%
TOTAL OPERATING EXPENSES	65,462,272	67,115,013	67,802,132	72,667,748	4,865,616	7.2%
NET REVENUE FROM OPERATING	2,721,037	4,986,025	5,357,561	5,592,138	234,577	4.4%
OTHER INCOME						
Miscellaneous Income	1,021,042	621,950	767,683	805,512	37,829	4.9%
Grant Revenue	488,772	0	122,176	0	(122,176)	-100.0%
Interest Income	274,372	255,000	430,305	330,000	(100,305)	-23.3%
Income From Investments	941,420	399,299	767,221	399,299	(367,922)	-48.0%
Release Premium LT Debt	204,643	250,080	249,590	249,240	(350)	-0.1%
TOTAL OTHER INCOME	2,930,249	1,526,329	2,336,975	1,784,051	(552,924)	-23.7%
OTHER EXPENSES						
Loss From Sale Property	489,455	0	0	0	0	0.0%
Amortization Of Discount & Current Expense On Bonds	33,059	36,000	35,547	36,000	453	1.3%
Uncollectible Accts	3,159	0	0	0	0	0.0%
Misc.Income Charges	257,500	20,000	21,500	20,000	(1,500)	-7.0%
Interest On Funded Debt	1,945,960	1,761,983	1,804,391	2,734,495	930,104	51.5%
Interest On Unfunded Debt	0	0	0	0	0	0.0%
TOTAL OTHER EXPENSES	2,729,133	1,817,983	1,861,438	2,790,495	929,057	49.9%
NET INCOME (LOSS) FOR YEAR	2,922,153	4,694,371	5,833,098	4,585,694	(1,247,404)	-21.4%
Less Income From						
Fund Investment	941,420	399,299	767,221	399,299	(367,922)	-48.0%
Grant Revenue	488,772	0	122,176	0	(122,176)	-100.0%
NET INCOME FROM OPERATIONS	1,491,961	4,295,072	4,943,701	4,186,395	(757,306)	-15.3%

* ESTIMATE BASED ON 7 MONTHS ACTUAL PLUS 5 MONTHS BUDGET

STATEMENT OF DETAILED OPERATING EXPENSES - PRELIMINARY 2007 OPERATING BUDGET vs. 2006 ESTIMATE

	2005 ACTUAL	2006 BUDGET	2006 ESTIMATE *	2007 BUDGET	2007 vs. 2006 ESTIMATE Inc(Dec)	% Inc(Dec)
MAINTENANCE EXPENSE:						
Supervision	533,923	641,025	596,006	648,678	52,672	8.8%
Repairs- M/V Martha's Vineyard	730,953	726,897	775,972	795,127	19,155	2.5%
Repairs- M/V Islander	693,801	480,547	466,879	34,710	(432,169)	-92.6%
Repairs- M/V Governor	559,500	521,760	545,978	302,753	(243,225)	-44.5%
Repairs- M/V Sankaty	185,211	183,723	654,408	552,884	(101,524)	-15.5%
Repairs- M/V Nantucket	752,539	529,116	603,213	562,257	(40,956)	-6.8%
Repairs- M/V Katama	353,962	502,419	361,224	663,281	302,057	83.6%
Repairs- M/V Eagle	898,223	366,999	547,696	479,662	(68,034)	-12.4%
Repairs- M/V Gay Head	420,193	597,977	582,908	353,662	(229,246)	-39.3%
Repairs- M/V Iyanough	757,759	240,880	455,676	242,349	(213,327)	-46.8%
Repairs- M/V Schamonchi	8,112	0	0	0	0	0.0%
Repairs- M/V Island Home	0	13,500	13,500	375,425	361,925	2680.9%
Repairs- Bldgs. & Structures	1,586,296	1,142,827	1,956,279	2,055,741	99,462	5.1%
Repairs- Office & Term Equip	814,581	693,604	810,068	856,355	46,287	5.7%
Repairs- Vehicles	273,720	219,000	297,460	222,000	(75,460)	-25.4%
Miscellaneous Maintenance	714,203	598,654	610,312	582,646	(27,666)	-4.5%
TOTAL MAINTENANCE EXPENSE	9,282,976	7,458,928	9,277,579	8,727,530	(550,049)	-5.9%
DEPRECIATION EXPENSE	5,039,088	5,129,990	5,265,332	7,842,593	2,577,261	48.9%
OPERATION OF VESSELS:						
Telephones	55,613	61,965	48,886	45,035	(3,851)	-7.9%
Wages- Crew	13,749,975	13,293,314	13,172,445	13,288,096	115,651	0.9%
Fuel	4,818,270	6,044,944	5,726,727	6,624,200	897,473	15.7%
Lubricants	124,443	118,330	162,685	163,500	815	0.5%
Food Supplies	302,053	277,130	282,070	237,698	(44,372)	-15.7%
Stores,Supplies & Equipment	262,207	292,075	304,933	317,381	12,448	4.1%
Other Vessel Expense	220,608	204,155	241,434	261,036	19,602	8.1%
TOTAL OPERATION OF VESSELS	19,533,169	20,291,913	19,939,180	20,936,946	997,766	5.0%
OPERATION OF TERMINALS:						
Telephones	178,444	153,065	163,875	191,755	27,880	17.0%
Agents,Clerks & Attendants	3,012,507	3,133,377	3,169,383	3,327,418	158,035	5.0%
Stevedoring & Cargo Expense	2,644,336	2,566,560	2,398,890	2,338,818	(60,072)	-2.5%
Light,Heat,Power & Water	326,850	318,475	364,370	381,850	17,480	4.8%
Stationery & Printing	38,227	66,800	59,884	59,400	(484)	-0.8%
Other Terminal Expenses	2,262,039	2,764,364	2,840,563	3,007,843	167,280	5.9%
TOTAL OPERATION OF TERMINALS	8,462,403	9,002,641	8,996,965	9,307,084	310,119	3.4%
TRAFFIC EXPENSE:						
Reservation Bureaus	1,539,220	1,984,713	1,791,751	1,819,626	27,875	1.6%
Advertising	426,894	505,000	447,888	525,000	77,112	17.2%
Other Traffic Expense	235,147	158,500	194,765	131,583	(63,182)	-32.4%
TOTAL TRAFFIC EXPENSE	2,201,261	2,648,213	2,434,404	2,476,209	41,805	1.7%

STATEMENT OF DETAILED OPERATING EXPENSES - PRELIMINARY 2007 OPERATING BUDGET vs. 2006 ESTIMATE

	2005 ACTUAL	2006 BUDGET	2006 ESTIMATE *	2007 BUDGET	2007 vs. 2006 ESTIMATE	
					Inc(Dec)	% Inc(Dec)
GENERAL EXPENSE:						
General Officers & Clerks	2,101,408	2,374,210	2,304,166	2,529,710	225,544	9.8%
General Office Supplies & Expenses	454,575	470,640	458,744	539,407	80,663	17.6%
Law Expenses	221,568	330,000	257,430	330,000	72,570	28.2%
Pension & Relief	11,075,889	11,712,787	11,143,164	11,962,511	819,347	7.4%
Stationery & Printing	167,880	194,500	165,885	161,600	(4,285)	-2.6%
Other Expenses	1,545,476	1,687,450	1,795,956	1,691,500	(104,456)	-5.8%
TOTAL GENERAL EXPENSE	15,566,796	16,769,587	16,125,345	17,214,728	1,089,383	6.8%
CASUALTIES & INSURANCE						
Hull Insurance & Losses	354,329	369,660	369,480	541,482	172,002	46.6%
Cargo Insurance, Loss & Damage	53,427	49,920	54,308	69,006	14,698	27.1%
Liability Insurance & Loss-Marine	1,180,702	1,423,920	1,424,976	1,516,842	91,866	6.4%
Liability Ins & Loss- Non-Marine	698,714	813,588	806,954	801,048	(5,906)	-0.7%
Other Insurance	348,961	323,496	384,867	476,869	92,002	23.9%
TOTAL CASUALTIES & INSURANCE	2,636,133	2,980,584	3,040,585	3,405,247	364,662	12.0%
OPERATING RENTS	647,278	628,569	622,868	639,851	16,983	2.7%
PAYROLL TAXES - SOCIAL SECURITY	2,093,168	2,204,588	2,099,874	2,117,560	17,686	0.8%
TOTAL OPERATING EXPENSES	65,462,272	67,115,013	67,802,132	72,667,748	4,865,616	7.2%

SUPPLEMENTAL INFORMATION - PRELIMINARY 2007 OPERATING BUDGET vs. 2006 ESTIMATE

	2005 ACTUAL	2006 BUDGET	2006 ESTIMATE *	2007 BUDGET	2007 vs. 2006 ESTIMATE	
					Inc(Dec)	% Inc(Dec)
OTHER INCOME						
Miscellaneous Income						
Profit from Sale of Property	0	0	140,000	0	(140,000)	-100.0%
Paxman Engine Obligation	259,129	0	0	0	0	0.0%
Reduction in Present Value of Receivable	30,731	0	0	0	0	0.0%
License Fees	731,182	621,950	627,683	805,512	177,829	28.3%
Total Miscellaneous Income	1,021,042	621,950	767,683	805,512	37,829	4.9%
GENERAL EXPENSE:						
Pension & Relief						
Pension Expense	3,171,781	3,418,931	3,498,935	3,349,836	(149,099)	-4.3%
Health & Welfare Expense	6,695,297	7,340,475	6,607,752	7,648,922	1,041,170	15.8%
Health & Welfare Contribution.	0	(367,019)	(276,317)	(382,448)	(106,131)	38.4%
Long Term Disability	466,617	528,592	517,364	501,679	(15,685)	-3.0%
Unemployment Tax	742,194	791,808	795,430	844,522	49,092	6.2%
Total Pension & Relief	11,075,889	11,712,787	11,143,164	11,962,511	819,347	7.4%